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Israel, Citing Impasse, May Put Off Talks With Arafat

By Clyde Haberman
New York Times Service

JERUSALEM — Israeli officials said Friday that disagreements with Palestinian negotiators are so serious that they may call off a meeting planned for next week between Prime Minister Yitzhak Rabin and Yasser Arafat, chairman of the Palestine Liberation Organization.

Postponement of the meeting, a follow-up to a failed attempt by the two leaders last Sunday to settle their differences, would mean further delays in the start of Palestinian self-rule in the occupied West Bank and Gaza Strip under the outline agreement signed by Israel and the PLO in September.

A shift of authority to the Palestinians and a companion withdrawal of Israeli forces were supposed to have begun Monday in Gaza and the West Bank town of Jericho. But because of an impasse over security issues, and the leaders' inability to resolve it, that target date passed with no change in the occupied territories. Some officials suggest that the deadlock could stretch into the new year.

Foreign Minister Shimon Peres of Israel and a PLO delegation will meet in Norway within 48 hours for talks on carrying out Palestinian self-rule in the occupied territories, Reuters quoted a PLO envoy as saying Friday night in Oslo.

Omar Kitmitto, the PLO representative in Norway, said the PLO delegation would be headed by Mahmoud Abbas and that the two sides would discuss differences over control of border crossings, the size of the self-rule area around Jericho and security for Jewish settlements.

According to Israel Radio, Mr. Rabin and See ISRAEL, Page 5



A Palestinian woman making a victory sign Friday during a rally in Gaza City by Hamas, the militant group that opposes the peace accord signed by the PLO and Israel.

IBM to Slash Up to 13,000 Employees In Europe

Half of Layoffs to Come In Germany as Firm's Cost-Cutting Takes Hold

By Jacques Neher
International Herald Tribune

PARIS — IBM will slash up to 13,000 jobs in Europe, or nearly 17 percent of its workforce, over the next 18 months with about half of those cuts in Germany, the company's European branch disclosed Friday.

"There's a backlog that we have to get rid of as soon as possible," said Hans-Olaf Henkel, the new head of International Business Machines Corp.'s largest regional business group.

Mr. Henkel, who was named chairman of IBM Europe on Thursday and will assume the post Jan. 1, said a minimum of 10,000 employees would be asked to leave or be laid off next year, and that 2,000 to 3,000 more jobs could be eliminated, depending on the resistance from European governments and unions.

The layoff announcement is the first indication of how IBM's global restructuring plan would affect its European operations. In July, Louis V. Gerstner, who took over as chairman at IBM last spring, announced an urgent cost-reduction effort that called for the departure of 35,000 employees as the company took an \$8 billion provision on second quarter earnings.

Separately, IBM shares rose sharply Friday on the New York Stock Exchange, closing at \$59.75, after an analyst raised his earnings outlook for the company. (Page 10)

Mr. Henkel expressed frustration with efforts to cut staff in France, where he said the government was increasingly resistant to private-sector layoff plans since a restructuring effort by the state-owned airline, Air France, led to a violent strike in October that grounded the carrier and blocked Paris airports.

He said that most of the departures would be carried out before the end of 1994, but that "in some countries, like Germany, it may take a little longer."

A spokesman said that a majority of the departures would be voluntary.

But "depending on the environment" in different countries "we will have to make use of involuntary separations," Mr. Henkel said.

The cuts would bring IBM's payroll in Europe down to as little as \$4,000 from \$7,000 currently. At the end of 1990, IBM employed 110,000 people in Europe.

Mr. Henkel, who previously was chairman of IBM Germany, said Germany would suffer the brunt of the European cost-cutting, with about 6,000 jobs, mostly in manufacturing, to be eliminated over the next two years. IBM, which employed 25,000 in Germany last year, will have 16,000 by the end of 1995, he said.

He would not say where the other cuts would fall, but hinted that he would like to chop the payroll at IBM France, which employs 18,000 people, but is being frustrated by the government.

"France is making collective layoffs impossible," he said. "It's become very difficult since the Air France strike."

Although Mr. Henkel said he was anxious to "get this downsizing behind us," industry watchers said the job reduction plans could become an annual event for the company.

"This is a moving target," said Philippe de Marcellis, an analyst with Dataquest in Denham, England. "The employment requirements of the information technology sector are not entirely understood, and the European market has become very difficult for IBM."

Mr. Henkel, 54, is replacing Renato Rivero, who is retiring. The new chairman said the cuts would go hand in hand with a "re-engineering" of the way IBM operates across Europe.

"With less people, we have to do more work," he said, noting that every day 2,500 IBM employees are undergoing training at the company's 26 education centers. In order to sell more

North Korea Denounces U.S. Offer on Nuclear Inspection

By David E. Sanger
New York Times Service

SEOUL — North Korea issued a stinging denunciation Friday of the latest U.S. offer of a "package deal" that would offer limited rewards to the North for allowing inspectors back into nuclear sites, saying there is "nothing new in it" and charging that Washington is "taping artificial obstacles" to a diplomatic solution.

The announcement by North Korea's Foreign Ministry marked the first response to the proposals made by the United States in a meeting with North Korean officials Dec. 10. While it stopped short of rejecting the proposals outright, it clearly worried South Korean and American officials, who have said in recent days that they thought North Korea might accept the core of the deal.

"We can only hope that in private they are a little more positive," a South Korean official said. So far, the North has apparently not responded to the offer, which would cancel a major military exercise in South Korea and lead to talks over economic aid and diplomatic recognition if North Korea allowed full inspection of its nuclear facilities and began an active, continuous dialogue with South Korea.

Both South Korean and American officials have described their offer as their last one before seeking sanctions in the Security Council. But they conceded that it differs little from a proposal made late last month, except in the timing of canceling the military exercise, known as Team Spirit, and other relatively minor modifications.

For example, it would still require North Korea to open all seven of its declared nuclear sites to inspectors from the International Atomic Energy Agency. The North had proposed opening five, and giving only limited access to the two that the United States suspects would reveal how much plutonium the North has produced.

In the statement Friday, North Korea seemed particularly agitated by American warnings that action by the United Nations would be the next step. "In case the last opportunity of a negotiated settlement of the nuclear issue should be lost because of the unreasonable act of the United States threatening our existence today, it would be the United States that would regret this," it said.

It also objected to the requirement that North and South Korea proceed immediately with an exchange of special envoys who would negotiate over a broad range of issues.

Nonetheless, the statement was worded in a somewhat tentative way, leaving open the possibility that the North may yet take part of the deal.

BBC Film Adds Chill to Links of U.K. and China

Compiled by Our Staff From Dispatches

LONDON — A BBC documentary about Mao Zedong, including reported sexual escapades with young girls, has cast a further chill over relations between China and Britain.

The Chinese Embassy accused the British Broadcasting Corp. on Friday of making the hour-long program for political reasons, but it said that nothing could sully Mao's place in history.

"It only serves to lay bare the degeneration of journalistic ethics on the part of the producers," the embassy said, "and their political motivation of hostility toward China and the Chinese people."

The embassy added the BBC was "fully aware of the consequences" if it broadcast the program. But a spokesman added that he was unable to say what the consequences would be.

Britain is already at odds with China over plans to change the way Hong Kong is governed before the colony reverts to Chinese control in 1997.

The BBC said the documentary, "Chairman Mao — The Last Emperor" to be broadcast on Monday, included an interview with Mao's former doctor saying that the Chinese leader indulged in sex with young girls.

In another interview, a Chinese writer says that cannibalism was encouraged by some of Mao's supporters, the BBC said.

"We emphasized that the BBC is editorially independent and they would have to take the matter up with the BBC," a Foreign Office spokesman said.

The Chinese Embassy spokesman, Lin Qingyun, said China regarded the response as unsatisfactory. Mr. Lin said Chinese diplomats met with BBC officials a few weeks ago to discuss the program.

"This documentary is a pure slander on Chairman Mao" made by people "with ulterior motives," Mr. Lin told The Associated Press.

A BBC spokeswoman, Heather Clarke, said there was no political motivation behind the documentary, produced by an independent film maker, Jeremy Bennett.

The program, part of the "Timewatch" historical series, "marks one of the leading figures of the 20th century on the centenary of his birth and to just one of many subjects in this series," she said.

The film reveals "the true nature of Mao See RIFT, Page 5

Ulster Protestants to Study Peace Bid

LONDON (WP) — Protestant paramilitary groups in Northern Ireland said Friday that they would not immediately call a halt to their violent campaign, despite a peace initiative earlier this week from the British and Irish governments.

But the Protestant groups, like their Roman Catholic opponents in the Irish Republican Army, declined to reject the joint British-Irish declaration out of hand. The Protestants said they would continue to study the document, issued Wednesday by Prime Ministers John Major of Britain and Albert Reynolds of Ireland, and make a fuller response later.

The reaction came from the Combined Loyalist Military Command, an umbrella group for Northern Ireland's various Protestant factions, including the Ulster Freedom Fighters and the Ulster Defense Force.

Book Review Crossword Page 7, Page 17.

Dow Jones		Trib Index	
Up	25.43	Up	0.82%
3,751.57		110.14	

The Dollar		Ft. Dow		Previous Close	
DM	1.7094	1,7094	1,7094		
Pound	1.486	1,486	1,4873		
Yen	110.195	109.55			
FF	5.838	5.8385			

As Serbs Vote, Nationalism Is the Victor

By John Pomfret
Washington Post Service

BELGRADE — At first glance, it would seem Serbia is ripe for political change in elections scheduled for Sunday. It has an inflation rate that this month will surpass the 45,213 percent attained by Germany's Weimar Republic in October 1923. Crime has soared, with dozens of unsolved gangland-style killings. And the country has remained an international pariah under severe economic sanctions.

In the last three years, under the leadership of President Slobodan Milosevic's Socialist Party, Serbia's economy has regressed from being one of the richest in Eastern Europe to being similar to that of Congo and Cameroon, both with a per-capita gross domestic product of about \$1,000, according to a study last month by the University of Belgrade's economic department. The local currency has been so weakened that today it would take more than 600 pounds of 1 dinar coins to equal \$1. Tomorrow it could hit 700.

But while Serbia totters on the edge of an economic and social black hole, more than ever people in this Yugoslav republic, as well as Serbs in neighboring Croatia and Bosnia, appear united around the dream of a Greater Serbia and annexation, sooner or later, of territory seized by Serbian paramilitary groups backed by the Yugoslav National Army.

Even if the Socialists win fewer than the 100 seats they held in the 250-member parliament that Mr. Milosevic dissolved, there will be little support among other lawmakers for Serbia, the dominant republic in what is left of Yugoslavia, to modify its policies.

As a result, there will be little support among the international community to aid the economic sanctions that have helped drop the average monthly wage from \$350 in 1990 to \$17 today. Under continued sanctions, the country will sink further down what one Western diplomat called "the rabbit hole of history."

"Serbs are just like that," said Jovo Vukic, a spry 85-year-old retired bank clerk and former shot-putter for the Yugoslav national team who has seen his monthly pension of \$200 evaporate to about \$1.50 in two years. "We will be hungry but united."

The victory of nationalism is perhaps the most significant aspect of this election campaign. While in elections last year some parties actively opposed Serbian land grabs in Croatia and Bosnia, this year the military actions have been treated as a fait accompli, casting doubt that any change brought on by Sunday's vote could further hopes for peace in Bosnia or a resolution of other Balkan crises.

"Only a mad Serb could be against the unification of all Serb lands," said Vuk Draskovic, an opposition leader whose arrest and beating by Serbian policemen in June sparked international outrage.

See SERBS, Page 4

Return to the Potomac Inman Kept Finger on Pulse of Power

By Elaine Sciolino
New York Times Service

WASHINGTON — More than a decade ago Bobby Ray Inman left Washington in a huff, vowing never to return. The city was too mean, the bureaucratic infighting too enervating, the backbiting too intense, he told intimates after serving 16 uncomfortable months as deputy to William J. Casey, who was then director of Central Intelligence.

Shucking a long government career, Mr. Inman went home and set up a business in Austin, Texas. But his heart never left the Potomac. Using the tools he had acquired as a four-star admiral and a spy-master — stealth and discipline — he managed to keep his finger on the pulse of power.

"I am an operator," Mr. Inman, 62, said bluntly on Thursday after President Bill Clinton announced his nomination to succeed Les Aspin as secretary of defense. "Hopefully with a strategic view."

Although he may have been using the expression the way people in uniform use it — to make the point that he had not been just a desk-bound paper-pusher during his 31 years in the U.S. Navy, but also a man in the field — it was natural that those who know him interpreted the word differently.

"Operator: that's arguably the magic word," said Robin West, a petroleum executive who has known Mr. Inman for nearly two decades. "He's a brilliant creature of the inside, a man who can help educate the president."

Mr. Inman is one of those Washington figures whose accomplishments and peculiarities have made him a legend around Washington and a fixture on corporate boards and government commissions, although his name is probably unknown to most of America.

Senior administration officials say he brings to his new job three qualities that Mr. Aspin has: a strategic view, a sense of humor and a willingness to see things through.

See OPERATOR, Page 4

Rushing In to Rebuild Malibu: Not a Jolly Good Idea, It Turns Out

By Bob Pool
Los Angeles Times Service

LOS ANGELES — They came to rebuild houses destroyed by the Malibu brush fire. But Terry Shaw and Mark Hobson said they were the ones that got burned.

The two construction workers are among more than 100 British carpenters, bricklayers and other tradesmen who have flocked to Los Angeles in hopes of landing high-paying jobs rebuilding celebrity mansions that burned down during last month's wildfires.

Trouble is, there are no jobs for the Englishmen — most of whom hooked possessions and borrowed money to join what some in Britain have dubbed "The Malibu Gold Rush."

That rush was touched off by a story Dec. 3 in the tabloid London Sun that proclaimed that "Brits Make Stash Out of Malibu Ash." The article quoted British workers who saw the fire on television and flew to Los Angeles to clean up.

One worker asserted he earned "over a week's pay for just one day" from mansion owners who "practically begged me to work for them." Another said: "Americans are desperate for skilled labor. There is far too much work for professional American builders."

The article said contractors visited the King's Head Pub in Santa Monica, California, nightly to recruit workers. That was enough to send Mr. Shaw, 39, of Newark, Nottinghamshire, jetting to the bar. The welder arrived Tuesday. On Thursday, he was still jobless as he watched a spectacular ocean sunset from the front of the tavern.

"This view cost me £328," or about \$500, he said. "There are no jobs. It's a scam. I've spent all my money I had left from my last job, which ended in August."

Mr. Hobson, 21, a plasterer from North Wales, sold the van he used for work at a loss and borrowed money from his parents to come.

He and another British worker walked four miles along the Pacific Coast Highway looking without success for work. Calls to Malibu builders and architects were also fruitless, Mr. Hobson said.

Alison Bain, British consul-general for Los Angeles, said the workers would have learned of this area's 9.4 percent unemployment rate if they had sought U.S. work visas before coming. The original tabloid story suggested that the permits were not really necessary.

"We're trying at the moment to coordinate their speedy return to the U.K.," Mrs. Bain said. She added that many of the workers bought round-trip tickets redeemable months in the future, expecting to stay that long for the "gold rush."

Mr. Hobson was heartened by a story Thursday in the London Mirror that reported Virgin Airlines would fly stranded workers home free. Then, remembering the Mirror is also a tabloid, he added: "I'm going to check tomorrow to see for myself."



A Belgrade woman waving worthless pension checks Friday as she lined up for free food.

Newsstand Prices

Andorra	9.00 FF	Luxembourg	60 L	Fr
Antilles	11.20 FF	Morocco	12 Dh	
Comoros	700 CFA	Qatar	8.00 Riels	
Egypt	E.P. 5000	Reunion	11.20 FF	
France	9.00 FF	Saudi Arabia	7.00 R.	
Gabon	480 CFA	Spain	200 PTAS	
Greece	280 Dr.	Turkey	1,000 Din	
Ivory Coast	580 CFA	Turkey	T.L. 18,000	
Jordan	JJD	U.A.E.	3.50 Dirh	
Lebanon	U.S.S. 1.50	U.S. MRL	(Eur.) \$1.10	

STATESIDE / A REFUGEE ISSUE

U.S. Policy on Haiti Stokes Anger in and Out of Government

By Steven A. Holmes
WASHINGTON—With efforts to reinstate the Reverend Jean-Bertrand Aristide to the Haitian presidency no closer to succeeding now than they were a year ago, President Bill Clinton's policy of summarily returning Haitian refugees is drawing increased anger from outside the administration and causing acute embarrassment within it.



ANYTHING FOR A LAUGH — Clowns testing a roller coaster at a Florida amusement park.

AMERICAN TOPICS

A New York Victim Sues To Stop Crime From Paying

In 1984, three men mugged Jerome Sandusky, then 72, in a New York subway station. He was hit and choked, and probably escaped serious injury only because two policemen heard his cries and gave chase to the muggers. Two escaped, but the third, Bernard McCummings, then 23, was shot and paralyzed.

Short Takes

The federal government has moved to reverse environmental destruction of San Francisco Bay and the Sacramento Delta, the huge estuary that furnishes two-thirds of all water used in California.

Putting children with severe mental or physical handicaps in regular classrooms is a "recipe for educational disaster" and must be stopped, says Albert Shanker, president of the American Federation of Teachers.

A letter to Ann Landers, the advice columnist, passionately defends nudism as a prescription for world peace and brotherhood, and adds for good measure, "Think of the time and energy, not to mention money, that would be saved if we didn't have to shop for clothes."

Arthur Higbee

Largest Toy Chain in the U.S. Drops a Gory Home Video Game

By Tom Redburn
NEW YORK — Amid growing public complaints about the display of blood and guts in video games, Toys "R" Us, the largest U.S. seller of toys and games, has announced that it has stopped selling the Sega Genesis home video game "Night Trap" because it is too violent for children.

hearing on the issue last week, representatives of Sega Enterprises and Nintendo of America, which dominate the \$6 billion video game industry, and large retailers like Sears and Toys "R" Us said they would work together to develop a voluntary labeling system aimed at advising parents about the depiction of violence and sex in video games.

code, city lawyers went to court Thursday seeking an injunction barring the sale of two toy guns that are replicas of semiautomatic weapons. The New York Times reported.

POLITICAL NOTES

10 Doctors' Groups Back Clinton Health Plan

WASHINGTON — Leaders of 10 doctors' organizations have appeared with President Bill Clinton to express support for his health care plan and underline their differences with the American Medical Association, which has objected to many elements of it.

Store to Pay \$75 Million For Denying Promotions

By Jane Gross
OAKLAND, California — In a sex discrimination settlement that could alter personnel practices throughout the grocery industry, Lucky Stores Inc. has agreed to pay nearly \$75 million in damages to women in northern California who were denied promotion opportunities and to invest \$20 million in affirmative action programs for female employees.

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D.C. Mayor Guard May Cost \$1 Million a Year

WASHINGTON — The District of Columbia mayor, Sharon Pratt Kelly, has at least a 24-member security detail that provides around-the-clock protection for her and her husband, according to administration and police sources.

Quote / Unquote

The philanthropist Walter H. Annenberg is pledged \$500 million over five years for schools around the United States: "We must ask ourselves whether improving education will halt the violence. If anyone can think of a better way, we may have to try that, but the way I see this tragedy, education is the most wholesome and effective approach."

Away From Politics

Miami took a step toward a curfew on youth. All Dade County juveniles younger than 16 would be subject to a curfew between 7 P.M. and 6 A.M.

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Pretoria Says It Is Sorry Vows to Make Up For Apartheid

The Associated Press
CAPE TOWN — The South African government apologized for apartheid on Friday and pushed the anti-apartheid parliament to adopt a new constitution that would in effect abolish the body and treat all races equally.

"If ever, in the eventful history of our beloved land, there was a day that dawned with great promise, it is this day," said the constitutional minister, Roelf Meyer.

Mr. Meyer addressed South African legislators as they began debate on a 200-page constitution that will end white rule.

The constitution is the product of two years of negotiation by the government, the African National Congress and about 20 other political parties. It was approved at multiparty talks in November.

But an alliance of pro-apartheid whites and conservative blacks who boycotted the talks does not constitute the constitution. They say it does not insure them enough autonomy.

The document is virtually guaranteed approval because President Frederik W. de Klerk's National Party holds a majority in parliament. The vote, tentatively scheduled for Wednesday, will be the last major action by South Africa's white parliament chamber.

Mr. Meyer, the government's chief negotiator, used the occasion to offer a formal apology for the policy of apartheid.

"We, who were responsible for apartheid, are now saying that we want to leave that wrong behind," he said. "We are saying we are sorry. But we are also saying that we are now determined to rectify what went wrong."

Mr. de Klerk had issued the white minority government's first apology for apartheid in a speech last year.



GUINEANS RANSACK EMBASSY IN ABIDJAN — Ivory Coast riot policemen scattering Guinean protesters on Friday after they stormed the Guinean Embassy in Abidjan. Tension rose ahead of Guinea's first contested presidential vote as protesters said diplomats had stuffed ballot boxes. There was also an attack in Dakar.

GIs Start Pulling Out Of Somalia

The Associated Press
MOGADISHU, Somalia — The United States began pulling out troops from Somalia on Friday, starting with the battalion that fought in the battle that persuaded President Bill Clinton to bring American forces home.

In a gray, humid hangar at the Mogadishu airport, about 450 members of the U.S. Army's 2d Battalion-14th Infantry Regiment lined up in full battle dress for a brief departure ceremony. They then boarded a Boeing 747 for the overnight flight to Fort Drum, New York.

Although some support units left Thursday and the U.S. aircraft carrier America left two weeks ago, the 2d Battalion was the first combat unit among the more than 8,000 American soldiers to leave.

Mr. Clinton ordered American troops out by March 31 after an Oct. 3 ambush of U.S. Army Rangers by Somali militiamen killed 18 Americans and wounded 75 near the site of a downed U.S. helicopter. About 300 Somalis were reported killed during the 12-hour firefight.

The debacle that stretched into the morning of Oct. 4 was a low point in the mission that began on Dec. 9, 1992, when U.S.-led multinational forces landed to protect relief supplies to a country where 350,000 died last year from famine and clan warfare.

About 2,500 American troops, 30 percent of the total force, are to depart before Christmas. Two of the three U.S. bases will close next month. United Nations military commanders have been scrambling to replace the air power, intelligence network and logistics support that the Americans will take with them.

19 Killed in Kashmir As Troops Battle Rebels
The Associated Press
SRINAGAR, India — Nineteen people were killed in a battle between Indian troops and Muslim separatists in Kashmir in northern India on Friday, the police said.

ISRAEL: Extent of Their Differences May Force a Delay in Rabin's Meeting With Arafat

Continued from Page 1
Mr. Arafat may not get together until Jan. 6. And a senior negotiator quoted by the newspaper Ha'aretz said that "even if certain understandings are reached, there is no chance of signing an agreement in 10 to 20 days."

It would be pointless and perhaps even damaging, an official close to Mr. Rabin said, to have the two leaders meet until they were sure — unlike the last time — that key details have been nailed down in the plan for Palestinian autonomy.

"It is not a good idea to meet if we haven't come to some sort of agreement," he said. "We don't want a meeting that blows up the whole process."

But nothing has been decided, Israeli officials said. And, as they have for the last few weeks in which the talks have gone badly, they insisted that they were not in a crisis.

Palestinian negotiators have also sought to put on a placid, if not a happy, face, saying that they have not given up on a Rabin-Arafat session around Dec. 23, as planned.

Ahmed Tibi, an Israeli Arab who is an adviser to Mr. Arafat, said that "quiet contacts are continuing." But he acknowledged that a postponement of the meeting next week and all that that implies "will have a negative implication on the atmosphere of the peace process."

The critical issues that continue to elude negotiators are control over the border crossings from the territories to Egypt and Jordan, the size of the Jericho district that will fall under Palestinian authority, and protection for Jewish settlements. Other matters have arisen as well.

Israeli officials say, suggesting that the longer the stalemate goes on, the more likely they are to find nettlesome details in the nooks and crannies of negotiations.

From the beginning, Mr. Rabin has been uncomfortable with vague wording in key sections of the agreement, an ambiguity that made it possible for the Israelis and Palestinians to take the giant step of striking a deal in September but

that has come back to haunt them now that they must fill in the details. The prime minister is said to insist on not withdrawing a single soldier until the fine points are worked out, especially on control over the borders.

Israelis say they must remain in charge, especially since the "declaration of principles" signed in September gives them responsibility for "external security."

To them, the issue is one of sovereignty as well as security, and they accuse Mr. Arafat of demanding PLO control to show that Gaza and Jericho are but the first steps toward a Palestinian state.

Algerian Militants List Their Demands To End Civil Strife

The Associated Press
BONN — Algeria's outlawed Muslim fundamentalist party offered Friday to negotiate an end to civil strife that has killed more than 2,000 people, but only if the army-backed regime met tough conditions.

The demands listed at a news conference in Bonn by Rabah Kebir, spokesman in exile for the Islamic Salvation Front, included release of all political prisoners and repeal of all laws enacted since a military-backed ruling council seized power in January 1992.

The conditions repeated longstanding demands that the Algerian government free political prisoners and repeal all laws it imposed after decaying the Front an election victory. The government has previously refused to meet these conditions.

One of the conditions listed was a demand for prosecution of all those responsible for killings in Algeria. He did not specify whether this would apply both to security forces and to the Muslim militants.

The Salvation Front has denied any responsibility in the killings of at least 23 foreigners in Algeria since late September.

The Armed Islamic Group, one of several armed fundamentalist movements, has taken responsibility for most of the killings. It had set a Nov. 30 deadline for foreigners to leave the country.

"It's not the goal of the Salvation Front to fight foreigners," Mr. Kebir said.

But he stopped short of condemning the killings, saying, "If a foreigner is on the side of the oppressors, he is not welcome."

Mr. Kebir said the conditions for peace were drafted by the fundamentalist movement's jailed vice president, Ali Belhadj.

Mr. Belhadj was moved to a cell filled with political prisoners condemned to death after writing a letter to the government containing the demands, Mr. Kebir said. Mr. Belhadj has been on a hunger strike since Sunday because of cruel treatment, Mr. Kebir added.

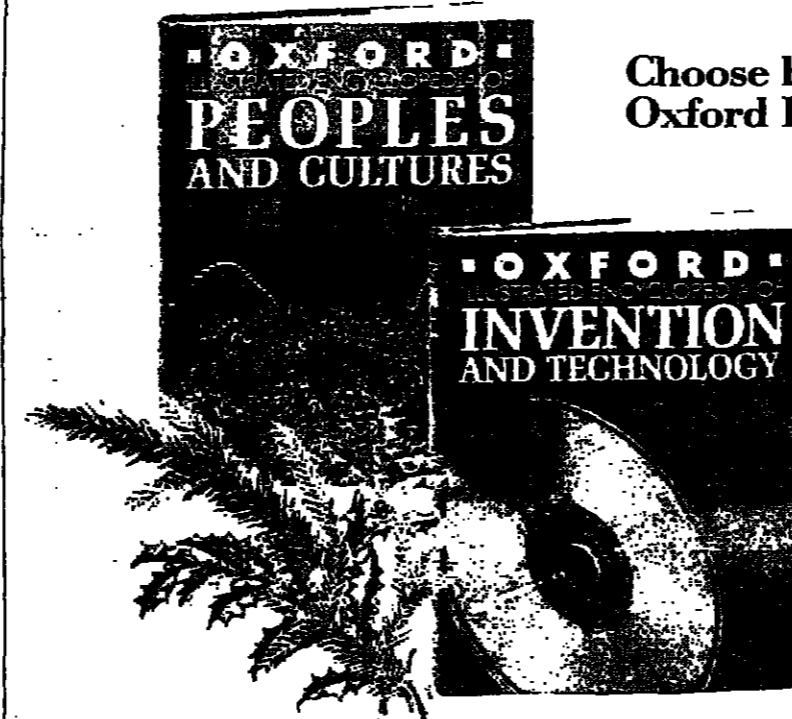
He said the government had sent 3,000 political prisoners to "concentration camps in the desert," detained 25,000 in regular prisons and sentenced 425 people to death.

He accused the United Nations of turning its back on Algeria and France of supporting the government.

"How can anyone understand a world community that looks away when people are tortured, when their fingernails are torn out and their limbs are hacked off?" Mr. Kebir said.

The bloodletting in Algeria started after the army canceled January 1992 elections that were expected to give the Salvation Front control of parliament.

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RIFT: A Film on Mao

Continued from Page 1

Zedong's tyrannical and brutal rule over China," the BBC said in a statement.

Mao, the son of a peasant, was a founding member of the Chinese Communist Party who led the People's Republic of China from 1949 and until his death in 1976.

Mao's doctor for 22 years, Dr. Li Zhisi, who now lives in Chicago, gave the film makers details about Mao's extramarital sexual adventures, including with young girls, the BBC said.

"Women felt honored to have sex with Mao," Dr. Li said, according to a BBC transcript. "It was a glorious and natural thing to do because Mao was God and the Supreme Ruler."

The writer Zheng Yi, a former Red Guard who is now at Princeton University, said on the program that "cannibalism was practiced, even encouraged by some of Mao's supporters during the Cultural Revolution," the BBC said.

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OPINION

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Hope From Downing Street

Good news, in the form of a joint statement from 10 Downing Street, was announced on Wednesday by Prime Minister John Major and his Irish counterpart, Albert Reynolds. The two leaders have agreed on a framework for peace, an outline of proposals to end the violence in Northern Ireland and to settle, by a vote of the people concerned, the political fate of the province. Each side made concessions that will probably not be enough for the terrorists who have created so much torment over the years. But the hope is to persuade at least some of those who have turned to violence and the large majority of the war-weary citizens of Ulster that this time a permanent peace is possible.

In the Irish constitution to eliminate territorial claims to the northern province. In spite of the fact that the most intransigent elements in this struggle — the rabble-rousers and the gunmen — were not party to this declaration and might still wreck it, there is reason for hope. The Reverend Ian Paisley, who can always be counted on for bombast and bigotry, made a predictable accusation: "You have sold Ulster," he shouted at Mr. Major, "to buy off the fiendish republican scum." But James Molyneux, who leads a far larger Protestant party than Mr. Paisley's, has criticized but not condemned the agreement. And the leader of Sinn Fein, the political wing of the Irish Republican Army, which has been offered a seat at the negotiating table in exchange for three months free of violence, wants time to study the proposal but has expressed his desire to move toward a lasting peace.

Inman for a Second Try

President Bill Clinton has made a safe and smart choice in nominating Bobby Ray Inman to be his second secretary of defense. The national security establishment is already singing the nominee's praises. That has to be music to the ears of a president who may feel vulnerable about his own weak national security credentials. Mr. Inman would bring a sharp mind, government experience and bipartisan respect to the Pentagon post. A retired four-star admiral and former director of the National Security Agency, deputy director of the CIA and chief executive of a private-sector computer consortium, he is known for the kind of management skills the incumbent secretary, Les Aspin, is said to lack.

Senator will want to examine his management record in and out of government and satisfy themselves that his military and intelligence background in no way detracts from his ability to exercise strong civilian control over America's armed forces. Such control is crucial because he will have to plug the \$50 billion, five-year defense budget gap that was reportedly the last straw in an increasingly tense Clinton-Aspin relationship. That will require establishing a firm hand over the service chiefs, whose requests will need to be scaled back if even a fraction of Mr. Clinton's domestic goals are to be financed. At the same time, the new secretary will need to get up to speed quickly on the complex nuclear bargaining now going on with North Korea. And it will be his responsibility to assess the military implications of the rise of aggressive nationalists in a nuclear-armed Russia.

A Paler Shade of Red

It has been a rather good few months for the successors to the European Communist parties. In Italy, the Democratic Party of the Left (formerly the Italian Communist Party) swept to victory in a series of local elections. The candidates it supported captured city halls in Rome, Naples, Venice and Genoa, among other places. In the German state of Brandenburg, the reconstituted Communist Party, now known as the Party of Democratic Socialism, got a remarkable 21 percent, running a close third to the slumping Christian Democrats; the Social Democrats, the main opposition party, came in first. These results follow by just a few months the shocking victory of the ex-Communists in Poland.

the ex-Communists faced the neofascist Italian Social Movement, a great many voters apparently saw the candidates of the left as the more moderate and democratic options. The successes of the ex-Communists in Poland and Germany are more troubling, since these parties include some of the same people who ran the wretched dictatorships that the citizens were, and are, happy to be rid of. Still, their showings should not really be such a shock. The transition from communism to democratic capitalism has been rocky indeed. Many people have lost jobs. Sharp economic inequalities have created some deep resentments.

Other Comment

The Basis of a Peace Treaty? To deny the significance of [Wednesday's] joint declaration on the future of Ireland would be childish and premature. John Major and Albert Reynolds deserve congratulation for laboring through the treacherous straits of Anglo-Irish politics to reach this statement of principle. Though not in itself a peace treaty, it may be the basis of one. Its eventual success, however, is unusually dependent upon factors

outside its signatories' control. [The] declaration was the pinnacle of a close diplomatic relationship which has developed in the past 10 years. Peace broke out between the British and Irish governments long ago. This latest result of that peace is not in itself a guarantee that animity will break out between the other warring parties. Like a plume of smoke, the declaration will waft into nothingness unless the atmosphere and conditions are precisely right.

On With the Work of Democracy in Russia

By A. M. Rosenthal

NEW YORK — For days phone calls have been coming in from Russian friends, explaining to me and themselves how in their homeland a fascist nationalist could have become a strong contender for power. In their explanations and much of the American intellectual and political reaction, ran a theme of Western failure or guilt: Bill Clinton was guilty for sucking so strongly to Boris Yeltsin; the NATO powers failed to soothe the fears of the Russian

into the new. Still, remembering Russia's history does not diminish the importance of Russia's destruction of the Soviet prison empire, but makes it stand out greater, more thrilling. Russians who oppose return to despotism will draw their own lessons. But it is important for foreigners not to make scapegoats of the Yeltsin people. They made mistakes, but their problems were not simply what they did but what they hoped for and could not achieve because of the heritage of Russian history.

If a slower pace is what Russians want, they are entitled to choose it.

military; the West should have provided more money to stabilize the Russian economy... Western guilt I think not. Russia did this to Russia. Russians, not Westerners, checked the ballots; and a quarter of them, in a choice of national parties, selected the leadership of the man who promised another dictatorship and resurgent armed forces on the march. The memory of German voters helping Hitler leap to power is inevitable and valid.

The West must make its own military, economic and political decisions, to protect itself and help save the revolution from its enemies. Militarily, talk of integrating Russia into NATO, or the halfway house of a military "Partnership for Peace," should be put aside. Neither can happen, or should, until any realistic threat of a new Russian despotism ends. To pretend otherwise now is a hoax.

Help Russian Democracy Grow From the Roots Up

By David S. Broder

WASHINGTON — On Oct. 23, less than three weeks after Boris Yeltsin had sent his tanks against the opposition politicians holed up in the parliament building, Warren Christopher addressed a student audience in Moscow on the topic "A New Generation of Russian Democrats."

in authority in Washington, the party closest to Mr. Yeltsin won only one-seventh of the popular vote. It was a setback to the reformers, who split into quarrelsome blocs and got so caught up in the minor policy differences and major ego fights among their leaders that they did not counterattack the extremist parties.

Russia is being reborn as a democracy," Mr. Christopher told the audience at the Academy of the National Economy, "as a nation brave enough to break with the past and wise enough to plan for the future. America celebrates this rebirth with you."

But equally it was a setback for the Clinton administration, which has bragged of the "success" of its Russian policy whenever it was criticized for its wavering stance toward challenges in Bosnia, Somalia, Haiti or North Korea. Now its "success story" with Moscow — a phrase, Mr. Christopher told the student audience, "that President Clinton and I have repeatedly used" — is very much in doubt.

Stop Insulting Zhirinovsky's Voters

By William Safire

MOSCOW — Is Vladimir Zhirinovsky, the racist demagogue whose party took a surprisingly big chunk of the vote in the new Russian parliament, an incipient Adolf Hitler? No. In Russia, in the painful throes of transition to capitalism, another Weimar Germany? No. Are Westerners pumping up this man's support by insulting voters who use him as their vehicle of protest? Yes.

He licked off the factors that everyone now sees as shaping the election results — a resurgence of nationalism tinged with anti-Western bile, a public revulsion against the "corruption that has penetrated every element of Russian life."

The Ripples From Russia Can Rock Boats in Asia

By Gerald Segal

SINGAPORE — Russia's crisis is a long way from booming East Asia, but the impact of a less democratic and more slowly reforming Russia would be felt. It is not yet clear how much Russia's reformers will compromise with the nationalist extremism of the national Liberal Democratic Party or the leftist extremism of the former Communist. But compromises are likely.

declaring the winner's views "anathema." The Gore plan had to be say nothing until the high-riding Mr. Zhirinovsky said something outrageous and then to zap him with "reprehensible" and "anathema" (the same highfalutin language that marked Yegor Gaidar's campaign).

Some Southeast Asians might see a benefit if China were to be distracted by Russia. Tension in the South China Sea, where Beijing's claims to disputed islands clash with those of several other states, might be reduced. A number of Southeast Asian countries that want to buy Russian arms might welcome a more anti-Western Russia. But in a climate of colder relations between Russia and the West, the political risks of buying Russian arms would increase.

Why did the reformers do so badly now? All they did was talk against the past, without offering anything more appealing. Zhirinovsky played the string of patriotism, and none of his opponents questioned him to show the difference between desires and capability.

When You Appease Fascism

By Anthony Lewis

BOSTON — A specter is haunting Europe — the specter of extreme nationalism. When it appeared two years ago in Serbia, the United States and Western Europe decided not to treat it as a serious threat. They followed a policy of appeasement, a wheedling diplomacy that rewarded Serbian aggression.

Now the specter is before us in a form not so easy to ignore: the strong showing in the Russian legislative elections of the party headed by Vladimir Zhirinovsky. He campaigned as an extreme nationalist and anti-Semite, calling for restoration of the Russian empire and the use of nuclear weapons if needed.

People did not take Mussolini seriously at first, or even Hitler. Underneath all the foaming rhetoric, Hitler was just a silly little man, wasn't he? And besides, the Germans were a cultured people who would never let him carry out his barbaric threats.

Even with the great presidential power in his new constitution, Mr. Yeltsin will have a hard time holding to a policy of close cooperation with the United States. He will have to make gestures to the ultranationalist mood. The American vision of a Partnership for Peace is as good as dead.

History — the history of the 1930s — is all too relevant in another way. It shows how extreme nationalism can start in one country and then spread its evil when democracies fail to resist.

When Hitler demanded dismemberment of Czechoslovakia in 1938, Britain and France gave way at Munich. Prime Minister Neville Chamberlain said Britain had no interest in "a quarrel in a faraway country between people of whom we know nothing."

Why should we care what happens in the Balkans? Many Americans have asked that during the last two years, as Bosnia was dismembered. Can there be any doubt about the answer? No.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: A Nest of Disease

LONDON — There is scarcely a member of the House of Commons who is not, or has not been, more or less laid up with influenza. At present it is a nest of disease, and a man has only to become a member and attend regularly to his duties to find himself after a short time seriously affected in health.

which was gorgeously decorated with huge clusters of red and pink roses. About 500 guests were present at the reception, and no more brilliant a gathering of "fair women and brave men" has been seen in Paris for many a day.

1943: Rice Bowl Hit

AIR FORCE HEADQUARTERS. IN CHINA — [From our New York edition:] The campaign by the Japanese to capture the "rice bowl" in central China has cost them a "decisive defeat" to which the American and Chinese air forces contributed materially. Major General Claire Chennault, commander of the 14th Air Force, said today [Dec. 19]. "I believe our planes inflicted considerable casualties on the enemy in addition to holding up the invaders by bombing the towns through which they passed. If their object was to loot the rice harvest, we know a lot which they seized has been sent by air attack to boats."

1918: A Party in Paris

PARIS — The American Ambassador and Mrs. Sharp gave a dinner, followed by a reception, last evening [Dec. 17] in honor of President and Mrs. Wilson and the President of the French Republic and Mme. Poincaré. Fifty guests sat down to the table,

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Handwritten Arabic text: ١٥٥٠ من الأصل

When You
Appense
Fascism
By Anthony Low



Iran Paintings: The Eastern Perspective

HOUSTON — Looking at the art of the East from the Eastern perspective is a new approach that is proving remarkably successful in the United States.

The Arthur M. Sackler Gallery in Washington tested the ground with its exhibition of polychrome porcelain from private Chinese collections, which projected a very different image of the art from the one familiar in the West. Now a new vision of Iranian art is offered by the traveling exhibition "Arts of the Persian Courts," which is making its last stop at the Menil museum in Houston (until Jan. 16). As with the Chinese exhibition, the

SOUREN MELIKIAN

base is the private collector's approach. Abolala Soudavar, whose objects are on view, is a Houston-based businessman steeped in the two cultures, Eastern and Western.

The grandson of Hajji Hosain Agha Malek, a merchant who founded Iran's richest private library and then endowed it as a public institution, Soudavar was brought up in his Tehran family home in an atmosphere of reverence for the book. He came to buying art gradually.

One day, in 1973, while a student in his 20s, he was shown a small gathering of calligraphic pages by the man who had been his grandfather's librarian. Out of the group there leaped to the eye two extraordinary pages that have pride of place in the current show. Measuring 169 by 99 centimeters (66 by 39 inches), the paper leaves each carry seven lines calligraphed in black ink in the script known as *mohaqqaq*. They are among the remains of a Koran volume executed around 1400, perhaps for Tamerlane.

The rhetorical beauty of the writing with its plunging, blade-like curves places it among the world's masterpieces of that supremely abstract art. It overwhelmed the student, who bought them there and then, as part of a group, the rest of which dwindles into insignificance.

This was the auspicious beginning of a collection dominated by the calligraphic approach. Contrary to a widely held misconception in the West, there is no authentic contrast between calligraphy and abstract ornament (*zib*), as it is called in Arabic and Persian) on the one hand and figurative art on the other. Quite the contrary. Nowhere else in the Islamic world did calligraphy reach the same heights as in Iran, where figurative art loomed large simultaneously. Great paintings were often great calligraphies, and vice versa.

The two arts are intimately weld-

ed. In an illuminated book of the 15th century, the properties of a miniature follow set numbers, as do the columns of text. The modular unit in which these numbers are worked out is the diagonal of the square serving as a dot on dotted letters. The first striking feature in this show, as in the book that goes with it, is that it emphasizes the link between calligraphy and figurative art instead of separating the two, as is usual.

A famous and admirable miniature painted in 1486 for the volume of "Bustan" (Flower Garden) by the 13th-century poet Sa'adi is included in the exhibition, and reproduced in the book with its three lines of *nasta'liq* calligraphy on top — invariably cut out in other art books. They are an integral part of the image and essential to its balance — they literally crown the slender columns of the dais under which a ruler is seated.

In another page from the same manuscript, the text penetrates into the image in a more complex way. The scene is not confined by a rectangular frame, but breaks out on the side into a stepped panel — the visual space interlocks with the space reserved for the text. At the same time, the image itself is worked by calligraphy. It shows a scene set in a mosque and the facade displays panels of Koranic verses in white on blue such as will be seen on the ceramic tile revetments of late 15th-century mosques.

A FEW architectural panels here and there reveal better than volumes of theoretical explanation the ubiquitous importance of calligraphy in Iranian art. The wooden doors of a 15th-century mausoleum, with a saying of the Prophet carved at the top and the signature of the artist in a different script at the bottom, look like pages from an illuminated manuscript in three-dimensional carving.

The second striking feature in this unusual show is a recurring sense of history. In contrast to the so-called "Islamic art" exhibitions mounted by Western art historians who pick up objects and try to find out what they are without reading the language — which can be problematic when writing is everywhere — Soudavar bought his pieces because he read what they said. He makes the viewer want to look at them because they speak of great events and characters that shaped them.

The magnificent carved jade seal of Pir Budag, the eldest son of Jahanshah, a different script after having rebelled against his father, is in a case. Not far away, the viewer can also see the opening page of a "Shah-Name" (Book of

BOOKS

RUSSELL BAKER'S BOOK OF AMERICAN HUMOR

Edited by Russell Baker. 586 pages. \$30. Norton.

Reviewed by Burling Lowrey

RUSSELL Baker once noted how he inadvertently came to be regarded as the first in-line humorist of the New York Times. As a fledgling columnist he simply wrote straight observations in plain idiomatic English but, compared with the stuffy stilted style of the rest of the paper, the column came across to his editors as humor. Fortunately, this erroneous perception stuck and has led to his compiling a rich collection, titled "Russell Baker's Book of American Humor." The emphasis is deliberately on the printed word as distinguished from "performance humor," which Baker mercifully omits from his book on the ground that it requires only a talent for delivering jokes.

However, over Baker's collection are both "A Subtreasury of American Humor," the 1941 collection by E. B. and Katharine White, and Harold Ross's New Yorker magazine. While Baker shows respect for the Whites' selections by admittedly "pilfering" some of their favorites, he eschews their desire to present a "canon" of our great humorists. Instead he simply selects what he likes. Of course, not all of us are on his wavelength — for example, few people can "translate" the Irish brogue of Finley Peter Dunne — but so be it. I prefer his subjective approach.

Assuming that all first-rate literary humor elicits a laugh-out-loud response, I would go out on a limb and list the following as the funniest essays in Baker's collection: Garrison Keillor's "What Did We Do Wrong?" focuses on a woman, Annie Strzanski, hired to play professional baseball, who outdoes her teammates in raucous behavior on and off the field. It is a masterpiece of ironic detachment, timing and hilarious gender reversal.

Mark Twain's sketch of the Grangerford household in "Fleeberry Finn" still holds up as a delicious satire on what some today regard as the kitschy Disneyland-Hallmark card branch of middle-class sentimentality.

"Another (painting) was a young lady with her hair all



Page from the "Shah-Name" commissioned by Shah Tahmasp.

Kings) ripped off its manuscript by some dealer for the sake of the jobbed roundel. In it, a splendid inscription in the *reza* script records the donation of the now dispersed (or destroyed?) manuscript to the same Pir Budag. It would no doubt have been presented to him by someone eager to back his pretensions to kingship.

From the earliest times, the 50,000-distich poem, which was completed before the year 1000 by Ferdowsi, played a role in Iranian culture that far exceeds that of a literary work. The "Shah-Name" provided the pattern on which kings modeled their behavior on more than one occasion. Historians cite cases of a ruler riding into battle reciting verses from the work. Such was its importance in court life that, just as there was an official position of Koran Reader, so there was an official "Shah-Name" Reader.

Two pages from a famous two-volume "Shah-Name," preserved in the main in Istanbul, give some idea of the magnificence of the work that once belonged to Pir Budag. They are rather enigmatic for the two styles they reveal, which set them apart from any other manuscripts. But then, the history of Iranian book painting is still in its infant stage, with more than nine-tenths of the material never reproduced.

The high point of the exhibition is reached with pages torn from what was the most magnificent of surviving Persian manuscripts. It remained intact until the early 1970s. It then belonged to Arthur Houghton Jr., an American bibliophile and president of the Metropolitan Museum, who broke it up,

FOR SALE/SOLD

Chaplin's bowler: An unidentified British collector paid \$55,000 (about \$82,500) for Charlie Chaplin's trademark bowler hat and cane. Christie's in London said. The hat and the cane were used by Chaplin in the 1940 film, "The Great Dictator."

Garbo's letters: A set of 40 letters by Greta Garbo has been sold at

Sotheby's in London for \$21,850 to an unidentified private collector. "You have no idea how it burns to be as confused and unhappy as I am," Garbo wrote in one.

Bronie poems: Five previously unpublished love poems written by Bramwell Bronie in the 1840s sold for £16,445 at a Sotheby's auction in London.

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Women by Pietro Longhi The New-Style 18th-Century Venice

By Roderick Conway Morris
International Herald Tribune

VENICE — Pietro Longhi put women center stage as never before in Italian art. Women are the focus of nearly all the pictures he painted — whether they be bright girls at their studies, sumptuously dressed aristocratic wives presiding over their households or out and about during Carnival, masked or unmasked, street vendors, cheerful cooks, rollicking and sleeping peasants, reluctant, discreetly rouged and beauty-spotted young nuns, faithful retainers, old cronies and pretty working-class girls in search of wealthy local or foreign patrons.

Longhi was born in 1701 and was nearly 40 when he decided to abandon religious and historical subjects "in the grand manner" in favor of genre painting, a phenomenon he played an important role in establishing. "He changed tack," his son Alessandro later recorded, "and being of a quirky and witty disposition, he dedicated himself to everyday spectacles, or Conversation Pieces, playful treatments of love and jealousy, taken straight from real life." The engaging results of this midcareer switch are revealed in an admirable exhibition of more than 50 paintings and nearly as many drawings and prints at the Correr Museum (until April 4).

By the 1740s Venetian women were enjoying an unprecedented freedom unparalleled in the rest of Italy, or, in some respects, any other European city. Carlo Goldoni reflected this change in mores in his realistic dramas. "Men have reached the point that they are men in nothing but in name," lamented the buffoon Pantalone in one of the dramatist's dialect plays. "It's women that hold the whip hand. . . . The fair sex is triumphant — men have reduced themselves to slaves in chains, idolaters of beauty."



"Il rinoceronte" by Longhi.

LONGHI celebrated this feminine revolution in a fashion far more direct and unambiguous than that of his playwright friend Goldoni — almost turning himself into the artist-in-residence of this brighter, gayer, more adventurous and more pleasurable world.

His viewpoint was, no doubt, considerably influenced by the fact that these "new women" frequently were directly and indirectly responsible for commissioning his works, as is revealed in the splendid exhibition catalogue.

The artist's original entrée into the Venetian upper crust had been as a painter of large-scale mythological scenes, such as "The Fall of the Giants" in the Palazzo Sagredo. Thus he already had valuable contacts among potential buyers when he launched himself into genre painting. These small-scale works were not designed for the spacious *piano nobile* rooms where prosperous households entertained (and where historical and mythological scenes still held sway), but for the smaller, cozier apartments where (especially in winter) the family lived and where women were more likely to be in command of the decor.

an artist "praised in his home country, and beloved of all the Venetian nobility." It may, at first glance, seem puzzling, given the ironic and mildly satirical elements in many of his pictures, that the Venetian aristocracy should have been so willing to pay to have themselves sent up.

Yet evidently it was these sharply observed, humorously irreverent touches that made the works so appealing. Painters of stiff, official dynastic pictures (of the kind seen hanging on the wall in the background of Longhi's compositions) were two pence, but Longhi could hold up a mirror to his patrons "as they were" — with their beautiful clothes and comfortable homes certainly, but also with their characteristic gestures and poses, foibles and peculiarities.

In view of the importance of Longhi's female patrons, it is notable how often men are shown in a comic, even ridiculous, light. In "The Geography Lesson," to take a

typical example, the elder of two aristocratic sisters turns to face us as though being interrupted by our entry into the room (one or more figures look directly at us, the viewers, in virtually all of Longhi's pictures, cleverly drawing us into the scene).

UNLIKE Canaletto and Guardi, Longhi painted almost exclusively for the home market, and happily for Venice most of his best pictures remain there. Greater completeness is, nonetheless, achieved by the loan of some first-class canvases from other collections, notably in the United States and Britain.

The inspired thematic arrangement of the pictures, the stylish installation and the informative and stimulating catalogue make this show as good a way as can be imagined of awakening new interest in this humane and delightful artist.

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NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE Ratio High Low Latest Close

12 Month High	12 Month Low	Stock	Div	Yld	PE Ratio	High	Low	Latest Close
100.00	90.00	IBM	1.50	3.75	15.00	100.00	90.00	95.00
150.00	140.00	Microsoft	0.00	0.00	15.00	150.00	140.00	145.00
200.00	180.00	Oracle	0.00	0.00	15.00	200.00	180.00	190.00
300.00	280.00	Sun	0.00	0.00	15.00	300.00	280.00	290.00
400.00	380.00	HP	0.00	0.00	15.00	400.00	380.00	390.00
500.00	480.00	Intel	0.00	0.00	15.00	500.00	480.00	490.00
600.00	580.00	Motorola	0.00	0.00	15.00	600.00	580.00	590.00
700.00	680.00	Texas Instruments	0.00	0.00	15.00	700.00	680.00	690.00
800.00	780.00	Advanced Micro Devices	0.00	0.00	15.00	800.00	780.00	790.00
900.00	880.00	AMD	0.00	0.00	15.00	900.00	880.00	890.00
1000.00	980.00	ATI	0.00	0.00	15.00	1000.00	980.00	990.00

12 Month High Low Stock Div Yld PE Ratio High Low Latest Close

100.00	90.00	IBM	1.50	3.75	15.00	100.00	90.00	95.00
150.00	140.00	Microsoft	0.00	0.00	15.00	150.00	140.00	145.00
200.00	180.00	Oracle	0.00	0.00	15.00	200.00	180.00	190.00
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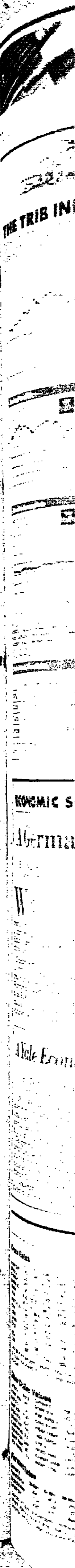
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GENEVE
depuis 1860

La Collection
CASHMIR

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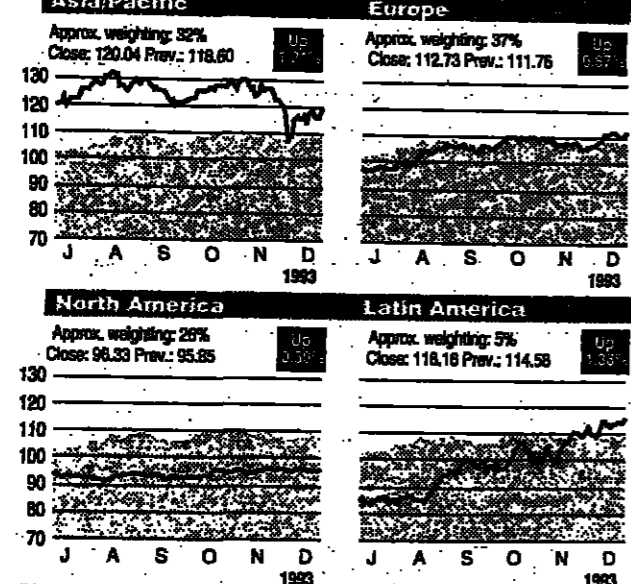
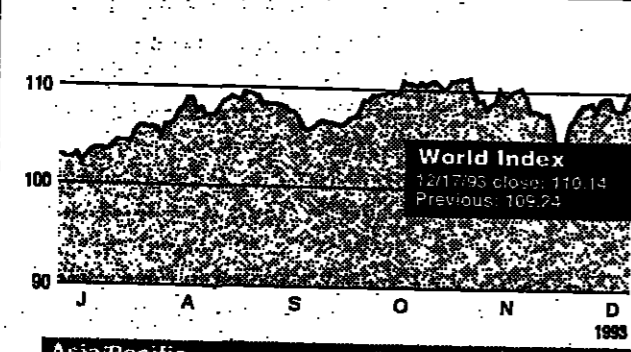
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THE TRIB INDEX: 110.14

International Herald Tribune World Stock Index, composed of 280 internationally investible stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers.

Table with 4 columns: Sector, Pct. change, Pct. change, Pct. change. Rows include Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, Consumer Goods, Miscellaneous.

Toshiba Penalized Over Sale

Short Hiatus for East Berlin Deal

Compiled by Our Staff From Dispatches TOKYO — Japan on Friday barred Toshiba Corp. from exporting integrated circuits to 27 countries for one month as punishment for providing East Germany with advanced microchip technology seven years ago.

Worker Buyouts in the Air

United Offer May Portend Other Deals

Compiled by Our Staff From Dispatches The employees of United Airlines are seeking to embark on a course that could affect far more than America's largest air carrier.

EC's 'Last' Steel Subsidies

BRUSSELS — European Community industry ministers on Friday reached a deal on the six major restructuring cases in the Community's state-controlled steel sector.

Chief Is Fired At Big German Metals Company

FRANKFURT — Metallgesellschaft AG, accusing its senior managers of a "breach of duty," fired its chief executive and its chief financial officer Friday.

Telekom Group Reportedly Wins Hungry Stake

BUDAPEST — A consortium of Deutsche Telekom and Ameritech Corp. has won Hungary's tender to buy a 30 percent stake in state-owned Hungarian Telecommunications Co.

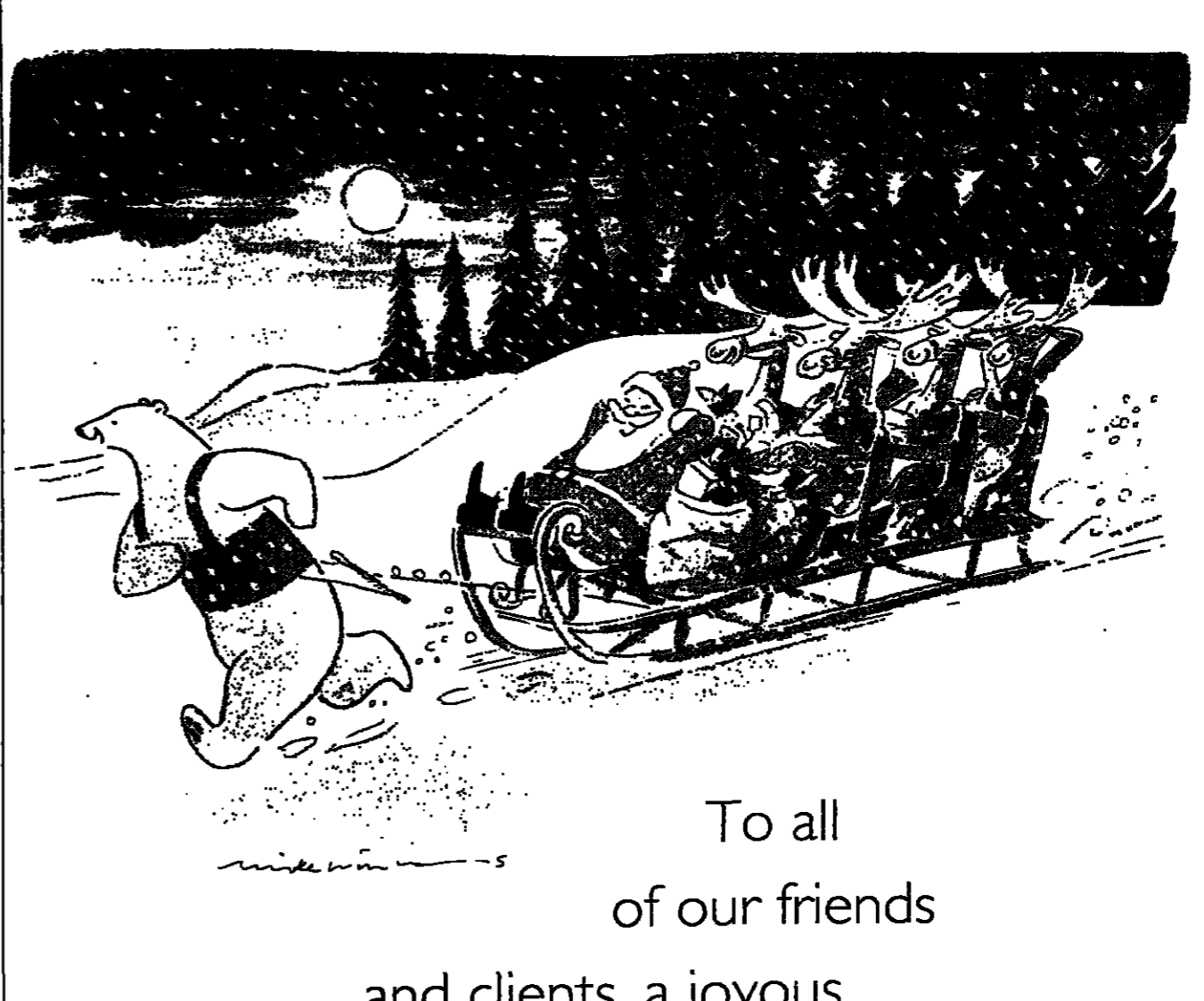
ECONOMIC SCENE

A German Pricks Corporate Balloons

By Silvia Wadhwa Bloomberg Business News WÜRZBURG, Germany — For Germany's corporate lords he has long been a thorn in the flesh.

A Yale Economist Punches Holes in Ghastly Gifts

By Don R. Hecker New York Times Service NEW YORK — Surveying the holiday season from the vantage point of the dry science of economics, a Yale University professor has calculated the "deadweight loss" of all those gifts recipients didn't like.



To all of our friends and clients, a joyous holiday season and a Happy New Year.

BANK JULIUS BAER The Fine Art of Swiss Banking. Zurich, Bahnhofstrasse 36, CH-8010 Zurich, Tel. (01) 228 51 11

CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Forward Rates. Includes exchange rates for various currencies and interest rates for different terms.

MARKET DIARY

Outlook for Rates Gives Shares a Lift

Bloomberg Business News NEW YORK — Stocks climbed Friday as mounting evidence of a growing economy failed to push up interest rates and overseas stock markets rallied. The quarterly expiration of futures and options on stocks and indexes further contributed to the gain, as did reports suggesting the Federal Reserve Board does not think interest rates need to rise to fight inflation.

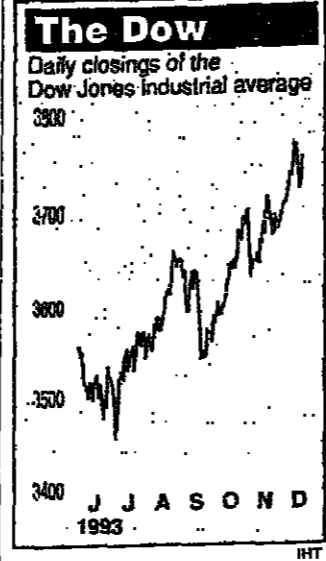
The Dow Jones industrial average gained 25.43 points to 3,751.57, driven by International Business Machines Corp. AlliedSignal Inc. and General Electric Co. IBM was the average's biggest gainer, up 2 1/2 after an analyst raised his earnings outlook for the company.

Japan Rate Cut Rumors Lift Dollar Against Yen

Bloomberg Business News NEW YORK — The dollar rose to a five-month high against the yen Friday amid speculation that the Bank of Japan will cut key interest rates soon. Traders sold yen after a Japanese news service reported that the Japanese Renewal Party, one of the most powerful in the country's coalition government, recommended the Bank of Japan cut its discount rate to spur the torpid economy.

The dollar failed to rise further because traders were concerned that the rally would prompt Japanese exporters to sell the U.S. currency aggressively. Exporters earn revenue in dollars, which they must sell for yen when they return profits to Japan. Many have been waiting for the dollar to rally in order to sell.

The Dow Daily closings of the Dow Jones industrial average



NYSE Most Actives

Table listing NYSE Most Actives with columns for Volume, High, Low, Last, and Change. Includes stocks like IBM, AT&T, and Intel.

AMEX Most Actives

Table listing AMEX Most Actives with columns for Volume, High, Low, Last, and Change. Includes stocks like IBM, AT&T, and Intel.

NYSE Diary

Table listing NYSE Diary with columns for Volume, High, Low, Last, and Change. Includes various market indicators.

AMEX Diary

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NASDAQ Diary

Table listing NASDAQ Diary with columns for Volume, High, Low, Last, and Change. Includes various market indicators.

Dow Jones Averages

Table listing Dow Jones Averages with columns for Index, High, Low, Last, and Change.

Standard & Poor's Indexes

Table listing Standard & Poor's Indexes with columns for Index, High, Low, Last, and Change.

NYSE Indexes

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NASDAQ Indexes

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AMEX Stock Index

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Dow Jones Bond Averages

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Market Sales

Table listing Market Sales with columns for Volume, High, Low, Last, and Change.

AMEX Stock Index

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NYSE Odd-Lot Trading

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S&P 100 Index Options

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NASDAQ Diary

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EUROPEAN FUTURES

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Food

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Metals

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Stock Indexes

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Spot Commodities

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Financial

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3-MONTH EURO DOLLARS (LIFFE)

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U.S. FUTURES

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Housing Starts Best Since 1990

WASHINGTON (AP) — Housing starts jumped 3.9 percent in November to the highest level in nearly four years, the government said Friday. The gains reflected lower rates and an improving economy. The Department of Commerce said construction of homes and apartments totaled 1.43 million in October, an advance from the revised 1.38 million in September. Advances in the Northeast and South offset slight declines in the Midwest and West.

Goodyear Takes \$86 Million Charge

NEW YORK (AP) — Goodyear Tire & Rubber Co. said Friday it would take a one-time net charge of \$86 million, or 59 cents a share, due to accounting changes relating to post-employment benefits. It said the charge was retroactive to the beginning of 1993. It added that the changes are not expected to materially affect current or future company results or financial position beyond the one-time charge.

Houston Bank and FDIC Settle Case

HOUSTON (Bloomberg) — First City Bancorporation of Texas and the Federal Deposit Insurance Corp. have reached a tentative settlement on a \$3 billion lawsuit that could net more than \$125 million to creditors of the failed Houston bank. Allen Whitney, spokesman for the FDIC bank, agreed to pursue a two-stage settlement that would immediately pay off uninsured depositors and allow First City to emerge from Chapter 11 bankruptcy.

Wang Set to Issue Stock to Creditors

LOWELL, Massachusetts (AP) — The newly reorganized Wang Laboratories Inc. said Friday it would begin issuing 30 million shares of common stock, most of it to a predetermined group of investors: Wang's creditors. Wang said the new stock will be traded on the Nasdaq exchange within a few days, once Nasdaq determines that enough shares have been distributed to satisfy the demand for trading.

Reuters to Buy Tektronix Software

LONDON (Combined Dispatches) — Reuters Holdings PLC said Friday it would buy Tektronix Software Systems Inc. of California, a specialist in digital trading systems, for \$125.1 million. The deal is subject to the approval of British and U.S. competition regulators. But David Ure, Reuters executive director, said he was confident the deal would not be blocked by authorities in Britain.

GE Splits Common Stock 2-for-1

NEW YORK (Knight-Ridder) — Directors of General Electric Co. announced a 2-for-1 split of its common stock Friday. GE also increased the quarterly dividend on the common stock to 72 cents a share from 63 cents, payable Jan. 25 to holders of record Dec. 31.

For the Record

Seagram Co. has purchased another 4.5 million shares of Time Warner Inc., increasing its stake in the media and entertainment conglomerate to 9.3 percent, or about \$1.54 billion. Philip Morris Cos. will buy the 55 percent it does not already own in the Brazilian soft drink and bubble gum producer Q-Rex-Ko. (Knight-Ridder) Motorola Inc. said Gary Tooker, acting chief executive since the sudden departure of George Fisher for Eastman Kodak Co. on Oct. 27, had been given the job permanently. (NYT)

METALL: German Company Fires Chief Executive

Continued from Page 9 Corp. and MG Refining & Marketing Inc. Amid speculation about Mr. Schimbel's ouster, shares of Metallgesellschaft rallied to 309.30 DM on the Frankfurt stock exchange Friday, up 16.30 from Thursday's close, before dropping in after-hours trading to 299.50. The shares, which had dropped more than 30 percent in the past week as news of the company's management and trading difficulties emerged, were trading as high as 428 DM last month. No successor was designated for the chief financial officer. Meinhard Forster, the supervisory board's chairman, said he would take over in a caretaker role. Klaus Gockmann and Hans-Ulrich Plaut were also named to the management board.

WORLD STOCK MARKETS

Table listing World Stock Markets with columns for Market, Index, High, Low, Last, and Change. Includes markets like Amsterdam, Frankfurt, London, and Tokyo.

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Switzer Bank

NASDAQ

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Switzerland Rejects Attempt to Loosen Bank-Secrecy Laws

BERN — The Swiss legislature refused Friday to loosen bank-secrecy laws, a refusal that critics said would revive charges that the country is a haven for drug profits and other illicit money.

Oilseeds Rules Agreed by EC

BRUSSELS — European Community farm ministers agreed Friday on measures to implement an oilseeds accord with the United States.

French Discretion Hurts Business Intelligence Lags Due to Secrecy

NICE — A penchant for secrecy has caused France to lag behind other industrial nations in the vital field of business intelligence, according to executives and government officials.

British Gas Reshapes Operations

LONDON — British Gas PLC said Friday that it would restructure its operations into six business units, replacing the company's regional organization scheme.

Investor's Europe

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	143.30	141.40	+1.34
Brussels	Stock Index	7,292.88	7,328.54	-0.49
Frankfurt	DAX	2,151.02	2,137.45	+0.63
Frankfurt	FAZ	820.30	817.14	+0.39
Helsinki	HEX	1,519.71	1,520.25	-0.04
London	Financial Times 30	2,505.30	2,496.20	+0.36
London	FTSE 100	3,837.10	3,811.20	+0.78
Madrid	General Index	308.54	306.51	+0.66
Milan	MIB	1,323.00	1,323.00	Unch.
Paris	CAC 40	2,196.44	2,160.26	+1.67
Stockholm	Affarsvaerlden	1,569.57	1,563.67	+0.38
Vienna	Stock Index	467.76	466.75	+0.22
Zurich	SBS	983.37	976.67	+0.69

Very briefly:

- Unilever PLC said Morris Tabaksblat had been nominated to succeed Floris Majers as chairman of Unilever NV and as a vice chairman of Unilever PLC at the annual general meetings of the linked British and Dutch consumer-products companies in May 1994.
- Club Méditerranée SA, the French tourism operator, said its consolidated sales for the quarter to Oct. 31 fell 7.4 percent, to 2.19 billion francs (\$374.1 million) from 2.36 billion francs a year earlier.
- Philips Electronics NV said it and Matsushita Electric Industrial Co. planned to set up a 50-50 joint venture in Poland to make carbon-zinc batteries; the factory is expected to start working in 1995.
- Dresdner Bank AG said progress had been made in talks with Poland on resolving its debt problem, but it said the two parties were still far apart on how much interest and principal Warsaw would pay.
- Germany's Treuhänderanstalt said it had sold the largest East German paper producer, Dresden Papier AG, to a joint venture of Mercedes International Inc., based in Vancouver, Canada, and Shin Ho-Canada Ltd. of South Korea; terms were not disclosed.
- Mercedes AG Holding shareholders voted almost unanimously for a proposed merger with Daimler-Benz AG, a Mercedes spokesman said.

CORPORATE: A German Tangles With the Business Power Structure

Continued from Page 9
mens and VEBA AG have all received the dubious honor of a Wengler visit. All had to get used to the unorthodox professor claiming the speaker's platform and lashing out at management. And all were sliced by Mr. Wengler's sharp tongue.

IBM: 13,000 Job Cuts in Europe

Continued from Page 1
effectively, the company is aiming to specialize its sales staff.

France Expects Slow Recovery

PARIS — France's economy should recover slowly in the first half of next year but at a rate that is too low to stop unemployment from rising, the national statistics institute, INSEE, said Friday.

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	12-Month High	Low	Stock	Div	Yld	PE	12-Month High	Low	Stock	Div	Yld	PE
120	110	IBM	1.25	4.8	15	120	110	IBM	1.25	4.8	15	120	110	IBM	1.25	4.8	15
100	90	Microsoft	0.00	0.0	15	100	90	Microsoft	0.00	0.0	15	100	90	Microsoft	0.00	0.0	15
80	70	Oracle	0.00	0.0	15	80	70	Oracle	0.00	0.0	15	80	70	Oracle	0.00	0.0	15
60	50	Intel	0.00	0.0	15	60	50	Intel	0.00	0.0	15	60	50	Intel	0.00	0.0	15
40	30	HP	0.00	0.0	15	40	30	HP	0.00	0.0	15	40	30	HP	0.00	0.0	15
20	10	Apple	0.00	0.0	15	20	10	Apple	0.00	0.0	15	20	10	Apple	0.00	0.0	15

NYSE

Friday's Closing

Tables include the nationwide price up to the closing on Wall Street and do not reflect late traces elsewhere. Via The Associated Press

(Continued)

12 Month High Low Stock	Div	Yld PE	12 Month High Low Stock	Div	Yld PE
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		

12 Month High Low Stock	Div	Yld PE	12 Month High Low Stock	Div	Yld PE
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		

12 Month High Low Stock	Div	Yld PE	12 Month High Low Stock	Div	Yld PE
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		

12 Month High Low Stock	Div	Yld PE	12 Month High Low Stock	Div	Yld PE
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		
ABC INVESTMENT SERVICES CO (ABC)			12 Month High Low Stock		

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INTERNATIONAL FUNDS

Dec. 17, 1993

Questions supplied by fund listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices. The marginal numbers indicate frequency of quotations: (d) - daily; (w) - weekly; (b) - bi-monthly; (q) - quarterly; (a) - annually.

Fund Name	Class	NAV	Yield	PE
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0

Fund Name	Class	NAV	Yield	PE
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0

Fund Name	Class	NAV	Yield	PE
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0

Fund Name	Class	NAV	Yield	PE
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0
ABC INVESTMENT SERVICES CO (ABC)		1.25	5.2	15.0

AMEX

سكرا من الاصل

Hosokawa Pledges To Answer Calls To Help Economy

TOKYO—Prime Minister Morihiro Hosokawa said Friday that his government would do its best to help the nation's economy. But cabinet ministers were still split over exactly what to do and when.

Responding to an urgent appeal for action from a high-level advisory committee on the economy, Mr. Hosokawa told the country's Federation of Economic Organizations that he would try to get a draft budget for the fiscal year that starts April 1 compiled by Dec. 31.

Officials are still debating whether to draft a budget before the end of the calendar year, as is customary, or to first handle other matters such as the political reforms that were at the heart of Mr. Hosokawa's campaign promises in this year's elections.

Gaishi Hiraiwa, head of the federation, which is known as Keidanren, urged the government on Thursday to cut income taxes soon and to take steps that would help in the longer term, such as reducing business regulations and encouraging real estate transactions and consumer spending.

The advisory committee's report said Japan should "escape from its current dead-end state and carve a path to a new future."

Mr. Hosokawa told the Keidanren the government wants "to try to answer such expectations."

The government's indecision over economic policy has been cited as a reason for financial markets' poor performance in recent weeks and has begun to erode Mr. Hosokawa's popularity.

Squabbling over Japan's decision to allow rice imports and other issues prompted Parliament this week to extend its session.

Firms to Get Help on Jobs

Japan's Labor Ministry has drawn up a 326 billion yen (\$2.97 billion) emergency program to help struggling companies retain jobs, Agency France-Press reported, quoting ministry officials.

The program, which is about three times the size of a similar program launched in 1987 to help businesses deal with the rapid rise in the yen's value, is to be implemented next month.

Part of the program will be funded by a supplementary budget enacted Wednesday, the officials said.

Seoul Pushes Industry to Shape Up Efficiency and Privatizing Drive Targets 133 Firms

SEOUL—From his hiding place somewhere in Japan, Park Tae Joon must sometimes marvel at his sudden transformation from one of South Korea's biggest industrialists into a fugitive from the law.

Twenty-five years ago, he was asked by an old army buddy, Park Chung Hee, then the president, to found a steel mill for South Korea that would help speed up economic development by concentrating public funds into a vital industry.

Until last year, Pohang Iron & Steel Co. was considered a success story. Korean industry was built on Pohang's cheap, quality steel. In their neat, yellow uniforms and military-style boots, Pohang's employees were in the vanguard of South Korea's march toward industrialization.

Today, Park Tae Joon is on the run and Pohang is trying to revamp its image. The company is just one of 133 South Korean enterprises in which the government owns a stake that are being prodded and poked to become lean and clean corporations by the administration of President Kim Young Sam.

Included on the hit list of the fat and lazy are such names as Korea Telecom and Korea Electric Power Co.

The government wants to overhaul what it believes is a bloated and corrupt industrial sector. One of its first targets was Pohang. With \$8 billion in annual sales, Pohang remains South Korea's largest steel mill. Early this year, the government slapped a \$35 million penalty on the steel company for tax evasion and mismanagement of funds.

many of these leviathans. Specifically, the government will soon sell its remaining shares in about half of the companies, including Asiana Airlines, Daewoo Shipbuilding, Korea Heavy Industries & Construction Co., Korea Mobile Telecom Co. and Pohang.

Critics say managers had taken advantage of government negligence to grow flabby and jaded. By the end of this year, the government says it will draft a plan to eliminate excessive employee welfare benefits and reprimand undisciplined managers.

In the late 1980s, Seoul wanted to sell off 11 key public enterprises to the public. But a prolonged stock market slump forced it to abandon them. It settled for liquidating part of its holdings in Pohang in 1988 and in Korea Electric Power Corp. in 1989.

Another alternative is for the government to submit its shares to bidding by businesses and institutions. But the government fears this might only increase the concentration of national wealth in the hands of conglomerates, already accused of monopolizing the economy.

"It's a worldwide trend to privatize public companies," says Scott Foster, research head at Merrill Lynch Securities' Seoul branch. "The Korean government will follow the trend, even gradually."

Employees at Pohang aren't waiting. In July, the company adopted a code of ethics that forbids bribery and politics.

In August, employees tossed their military boots aside. In October, the yellow uniforms of Park Tae Joon's Pohang Iron & Steel had quietly been replaced with more individualistic street fashions.

The government wants to overhaul what it believes is a bloated and corrupt industrial sector.

New Zealand Avoids Loss In Selling Fletcher Stake

WELLINGTON—The government sold its stake in Fletcher Challenge Ltd. on Friday and said it had avoided a loss on an investment it had made reluctantly in early 1992.

The government became Fletcher Challenge's fourth-largest shareholder after the paper and pulp, building materials and energy concern exercised an option to sell the stake to the state at 3.83 New Zealand dollars (\$2.15) a share. The stock subsequently fell as low as 1.63 dollars.

Since the acquisition, the stock has been split into two classes, representing Fletcher Challenge and Fletcher Forest Ltd. The price has rebounded as Fletcher Challenge sold assets to reduce debt.

On Friday, the Finance Ministry said, the government sold 104 million Fletcher Challenge shares and 26 million Fletcher Forest shares, mostly to foreign institutions, for 418 million dollars.

Fletcher Challenge shares fell 10 cents to 3.33 dollars Friday, said David Stanley, an analyst at Doyle Paterson Brown, said he expected the weakness to be temporary. (Reuters, AFP)

Australian Treasurer, Dawkins, Resigns

CANBERRA—Australia's treasurer, John Dawkins, unexpectedly resigned Friday, sending the country's currency into a tailspin.

Mr. Dawkins, who is 46 years old and had held the job for two years, cited family reasons. One of Prime Minister Paul Keating's closest allies, he also said he would retire from politics altogether before the next election, which is due in 1996.

The resignation was a surprise because the treasurer, who is in charge of national fiscal policy, appeared to have weathered the storm over the 1993-94 government budget. It was presented in August and finally passed by an opposition-dominated Senate in October.

Mr. Dawkins had been criticized by Labor Party colleagues for his handling of the budget, and the Australian dollar was badly affected by the prolonged battle over it. Tax legislation forms the core of the government's plan to reduce the federal deficit to 6.2 billion dollars (\$4.15 billion) by mid-1997 from a forecast 16 billion dollars in the fiscal year started July 1.

After Friday's announcement, the dollar slumped to about 67 U.S. cents from 67.45 cents previously.

Mr. Dawkins, cradling his nine-week-old daughter and with his wife, Maggie, at his side, told reporters: "Not everybody understands what it means to try and conduct a sensible family life when you have to travel 3,000 kilometers to work." His home in Fremantle,

Western Australia, is 1,860 miles from Canberra.

Mr. Dawkins said he was pleased to have set Australia on the road to economic recovery. Consumer prices rose by 2.2 percent over the year to September while gross domestic product grew by 3.4 percent.

Mr. Keating's office said a replacement would be chosen early next year. A spokesman for Mr. Dawkins said he would continue as treasurer until then.

Among the likely contenders for his job is Finance Minister Ralph Willis, who held the post of treasurer for a few days before Mr. Keating replaced Bob Hawke as Labor Party leader in December 1991.

Another contender is Employment Minister Kim Beazley.

Making the announcement in Parliament, Mr. Dawkins said, "There comes a time in the course of politics for one to reflect not only on the past but also on the future." (Reuters, Bloomberg, AFP)

BUYOUTS: United Employees' Offer May Foreshadow Similar Deals

Continued from Page 9

the needs of the worker and the company's need to make money. In the words of one Fortune 500 executive: Will employees get money into the pot for the next contract, or will they buy a new 747?

Can managers, in an economy that is increasingly more service oriented, truly integrate employees into all levels of the company, from the front line to the board room? And in United's case, can very different unions work together over the long run?

Observers said the deal would fall far short of revolutionizing the carrier's management.

Even though United's top two current executives would leave under the deal, "Wall Street analysts are simply and plainly wrong when they suggest that unions would be running this company," Mr. Blasi said.

Employees would have no more

than four out of 12 or 13 board seats, he said, adding that "the sway of power on the board would be in the hands of independent directors."

Henry Hansmann, an economist and law professor at Yale University, said that the deal appeared to be the only way United and its unions could find to renegotiate their labor contracts.

"And that's how it should be seen, rather than as a real shift in control," he said.

The airline industry appears poised to serve as the test for the validity of employee ownership in the 1990s. With the purchase of United added to large minority stakes at Trans World Airlines and Northwest Airlines, employees will have major positions in airlines that carry more than 40 percent of the air travelers in the United States. (WP, LAT, AP)

Investor's Asia				
Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,988.80	10,338.60	+2.22
Singapore	Straits Times	2,280.20	2,285.99	-0.25
Sydney	All Ordinaries	2,080.20	2,074.80	+0.26
Tokyo	Nikkei 225	14,051.91	17,788.28	+1.48
Kuala Lumpur	Composite	1,109.53	1,112.59	-0.28
Bangkok	SET	1,513.85	1,512.66	+0.08
Seoul	Composite Stock	874.10	870.72	+0.38
Taipei	Weighted Price	5,275.76	5,331.87	-1.07
Manila	Composite	2,652.43	2,514.97	+1.81
Jakarta	Stock Index	N.A.		
New Zealand	NZSE-40	2,080.50	2,099.22	-0.89
Bombay	National Index	Closed		

- Very briefly:**
- India's regulators are working out arrangements for trading stock without brokers, the chairman of the Securities and Exchange Board said, as brokers continued their strike over the board's decision to ban forward trading in stocks without delivery, an attempt to check speculation.
 - Hong Kong's economy is likely to grow about 5 percent in 1994, Hongkong & Shanghai Banking Corp. said in a report.
 - Unilever PLC formed Unilever Hong Kong Ltd. to succeed its Lever Brothers (China) Ltd. subsidiary and provide consumer products to the booming Hong Kong market.
 - Matsushita Electric Works Ltd. will form a joint venture in Guangzhou, China, to make electric razors for domestic sale and export.
 - Japan agreed to implement a product liability law to protect consumers from defective products, but government ministries will hold further discussions before deciding when to introduce the law.
 - Total Centre Mer, a unit of Total SA of France, will form a joint venture in Vietnam to import and distribute liquefied natural gas.
 - Vickers Ballas Holdings Ltd.'s initial public offering Monday is expected to be priced at 3.68 Singapore dollars (\$2.31), or 20 times the Singapore brokerage concern's projected 1993 earnings per share. (AFP, Bloomberg, AP, Reuters, AFP)

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AMEX Friday's Closing									
12 Month High	12 Month Low	Div	Yld	PE	100s	High	Low	Latest	Chg
120	100	1.00	4.00	15.00	100	110	105	108	+3
150	130	1.50	4.50	15.00	100	140	135	138	+3
200	180	2.00	5.00	15.00	100	190	185	188	+3
250	230	2.50	5.50	15.00	100	240	235	238	+3
300	280	3.00	6.00	15.00	100	290	285	288	+3
350	330	3.50	6.50	15.00	100	340	335	338	+3
400	380	4.00	7.00	15.00	100	390	385	388	+3
450	430	4.50	7.50	15.00	100	440	435	438	+3
500	480	5.00	8.00	15.00	100	490	485	488	+3
550	530	5.50	8.50	15.00	100	540	535	538	+3
600	580	6.00	9.00	15.00	100	590	585	588	+3
650	630	6.50	9.50	15.00	100	640	635	638	+3
700	680	7.00	10.00	15.00	100	690	685	688	+3
750	730	7.50	10.50	15.00	100	740	735	738	+3
800	780	8.00	11.00	15.00	100	790	785	788	+3
850	830	8.50	11.50	15.00	100	840	835	838	+3
900	880	9.00	12.00	15.00	100	890	885	888	+3
950	930	9.50	12.50	15.00	100	940	935	938	+3
1000	980	10.00	13.00	15.00	100	990	985	988	+3

THE MARKET REPORT



FIRST COLUMN

Rich Promise, or Just High Anxiety?

By Conrad de Aenle

Rate Rise Could Cause Funds' Fall

ONE of the least surprising predictions for next year is a gentle raising of interest rates in the United States. The rationale is well known: A rate rise is supposed to take any consumer-led inflationary heat out of the economy. But the consequences, at least for a sector of the economy dear to the hearts of popular capitalists, may be dire in the extreme.

The mutual fund industry is set to suffer almost like no other sector if U.S. interest rates are at all overdone. There are two, interrelated reasons for this.

First, a rise in rates will make deposit accounts more attractive again. There is as yet no conclusive research on individual investment patterns, but it seems clear that lower interest rates did not so much attract individual investors' money into equities as remove it by force from suddenly unappealing deposit accounts. Armed with low interest rates, mutual funds mugged deposit accounts. Next year the funds will be disarmed as the volume of new business falls.

Second, mutual fund managers need low interest rates to provide them with income. Managers are victims of the cost-consciousness of their investors, who are unwilling to accept a front-end deduction of several percentage points from their investment. Thus, U.S. firms have taken to offering back-end loads and "no-load" funds, where the charges are deferred.

But that means managers are handling vast amounts of money (around one U.S. household in two has a fund investment) without being able to derive an up-front income. They have found two solutions to this.

Some have taken out loans (a viable option when rates are low); others have offered bonds to the market (effectively getting cash from institutions on the strength of the deferred payments due from individuals). Again, the bond option is viable and attractive to bond investors when rates are low.

So, a hike in rates may not cause share prices to nosedive, but it would leave fund managers in a cash crisis, struggling to operate their businesses.

M.B.

ONE thing is certain: It is time to be ambivalent. With the latest round of stock market highs this week (six Pacific markets reached an all-time peak on the same day, with London and Frankfurt also breaking old records) investors must feel that it's hard to buy stocks, and it's hard not to.

One argument is that the bull market has been going on for too long in the United States and many other places — nearly 20 years, if you begin counting at the deep recession low late in 1974. The rebuttal is that proponents of that argument have been using it to encourage selling shares for the last 50 percent of the move.

One way to head both points of view is to buy the right fund, even if it proves not to be the right time. Some equity funds show returns that meet or beat the market in good periods, while cutting losses considerably during bad ones.

The key to finding one, say fund managers and the people who study their performance, is to look for consistency and a style of management that favors buying stocks cheap, rather than after they have already had a fair run.

"One of the best things to do is take a look at funds that have had relatively consistent records, what we call all-weather performers — funds that do well in markets with growth issues leading the way, and also in years when value leads the way," advises Jim Coursey, an analyst at Morningstar Mutual Funds, which rates the performance of American funds.

Equity funds generally are broken down into these two categories, which reflect opposing investment philosophies. The manager of a value fund looks for stocks that are priced relatively low in comparison with the value of the company's assets or its ability to make money.

A growth fund manager does not root around looking for diamonds in the rough; he wants glitter. Growth managers favor companies that are generating strongly increasing earnings, and they are willing to pay premium prices on the expectation of those gains. The first kind, Mr. Coursey believes, is the safest.

"A lot of really good long-term funds you can use in defensive ways are going to be run by these value-oriented managers who want to look for good earnings but want to buy them at a low price. If the low price is truly a temporary phenomenon, they're going to get much more upside potential."

But with less risk. "Those funds that use a value approach tend to avoid high-priced

stocks vulnerable in down markets," said Richard Dahlberg, who manages Massachusetts Financial Services' MFS Total Return Fund, a balanced portfolio that mixes stocks and bonds.

Managers with a growth-and-momentum style aren't so lucky. "That one will give you a wider ride in both directions because that's where the herd is going," Mr. Dahlberg said. The trouble is that those who follow the herd are often late figuring out which way the herd is moving.

"It seems to me that . . . those who have high cash at the bottom and low cash at the top are these momentum-type people who sell stocks after they're down 15 percent," he said. "They follow the trend. It's a difficult game because things can change pretty fast."

Another reason he thinks value managers have an edge in defensive investing is high dividend yields, because "the higher the yield you have, the better the cushion in down markets." As a company's stock price falls, its dividend yield grows. If the yield is high enough to start with, it can become a reason in itself to buy, or at least to stop selling. That puts a floor under the price.

A value fund like Vanguard Windsor "has a higher-than-average yield because [the manager] is picking the down-and-outs," he said. Another example he gave of a high-yielding, safer fund is Fidelity Puritan.

Mr. Dahlberg practices what he preaches: "I make my gains by following a value approach. I think that what you're doing is getting undervalued stocks for when the market is going up, and the combination of high yields and depressed price-earnings ratios, versus the rest of the market, that help on the downside. What goes into the portfolio has underperformed for a couple of years or more. That's what attracts us to it."

Sometimes a fund can be cheap, even if the stuff it owns may not be. Closed-end funds, which have a finite number of shares, fluctuate in price the same as stocks and can trade at steep discounts to the value of their assets. Buying one in that condition helps lessen any blows should the market stumble.

"That provides a superior risk/reward relationship," said Thomas J. Herzfeld, a money manager and financial adviser who specializes in these types of funds. "If the market moves higher, the discount will narrow and the fund will outperform; in a declining market, if the discount erodes, it will offset the loss in the portfolio."

Mr. Herzfeld advises looking for a fund trading at a discount 5 percent wider than the average discount at which it normally trades and wider also than the discount for other funds of its type.

For managers of open-end, or mutual, funds, picking low-priced stocks is not the

only method of protecting their shareholders against a fall. Some pick nothing, or at least not as much as usual, and build up a store of cash.

"There are two ways a fund stays defensive," said Ken Weber, president of Weber Asset Management, which runs a fund-oriented portfolio management service. "One is by shifting the types of investments it's in, going into defensive areas for their stock picks; that takes a great deal of skill. The other way, of course, is increasing cash positions, which also takes a great deal of skill."

Funds that take the second approach include the Lindner group, which Mr. Weber said "will take on large positions in bonds and cash when they're defensive," the Strong Total Return Fund, which "has done it successfully sometimes and not so successfully others," and the Janus Fund, one of the more successful funds of the last several years. That fund lately has had about a fourth of its assets in cash, much higher than most stock funds.

Mr. Weber adds that while value funds do tend to be less volatile and so pose less risk short term, anyone who plans to hold a fund for a long stretch should not worry about the ups and downs along the way and should use other criteria to choose a management style. And whichever style is selected will probably work out all right, as long as it is chosen with conviction.

"If you're investing longer term, pick a style and stick with it: the best defense is a good offense," he said. "You can go with growth or value, but stick with it."

Mr. Dahlberg finds it hard to stick with stocks. While his fund typically has two-thirds of its assets in equities and the rest in bonds, the equity portion is down to 45 percent.

"Today, when the market is very expensive, we tend to have less in stocks," he said. "What I'm doing is guarding against the downside. The market is horrendously overpriced, by historical standards."

Coping with a Grisly Market

The funds which performed best during the two worst quarters of the last ten years: the fourth quarter of 1987 and the third quarter of 1990.

Table with 4 columns: Fund Name, Return, Fund Name, Return. Rows include Best Growth '87, Best Growth '90, Best Growth & Income '87, Best Growth & Income '90, Best Income '87, Best Income '90.

Full of Good Intentions: Funds as 'Insurance'

Shareholders will certainly do fine if the DAX falls 20 percent by March 30, 1995, when the fund comes due. Their initial investment of 20 Deutsche marks per share, or about \$11.70, will grow to \$3 DM. For a gain of 65 percent. A 10 percent fall in the DAX will produce a share price of 25.20 DM, or a gain of 26 percent. The bad news comes if the DAX rises or stays the same, which is what happens during almost every period as long as this: The value of each share will fall 13 percent to 17.40 DM.

Advertisement for Barclays Asian Selection Funds featuring an eagle logo and the headline 'A new eagle soars in Asia'. Text describes the fund's performance and investment strategy.

Advertisement for Gold as a Solid Investment featuring a line graph of the U.S. Consumer Price Index and a list of gold funds with performance data.

Golden Past Seeks a Modern Context. By Philip Crawford. Text discusses the role of gold in investment portfolios in the late 70s and early 80s, and how modern investors should view gold.



RIEF CASE

Text under 'RIEF CASE' section, partially obscured by a vertical advertisement on the far right.

Vertical advertisement on the right margin, likely for a financial product or service, with text including 'SHORE INVESTMENTS'.

Handwritten Arabic text at the bottom center: 'السنة من الأصل'

THE MONEY REPORT

Bonds Look Firm, Same Again for Asia



Howard Flight, director, Guinness Flight Global Asset Management

As anticipated, the sharp rise in bond values and fall in bond yields of the spring and summer, have been followed by a period of consolidation. U.S. dollar long bond yields have moved back 6 percent, prompting some commentators to suggest that the positive cycle for bonds may be drawing to a close, and implicitly, that bond yields could rise in 1994. It is undoubtedly true that interest rate movements will continue to be cyclical in nature, mirroring, with a lead, real economic activity.

The issues are how long the current cycle will be, and how gradual or steep the gradient of change. It looks highly unlikely that short-term or long-term interest rates will follow patterns analogous to the last thirty years, given the very different global economic and inflation backgrounds and outlook.

There clearly remains scope for bond yields to fall in Europe, particularly in the high yielding markets such as Italy, Scandinavia, the United Kingdom and Spain, although it would be unreasonable to expect the substantial capital gains from bond investment over the last three or even five years to continue at the same pace. Bond yields could also fall below three percent in Japan as inflation turns negative next year.

Even in the United States, which is some two years ahead of Continental Europe and Japan in its economic cycle, long bond yields could well fall back below six percent

next year. The more buoyant U.S. growth of the third and fourth quarters may slow a little in 1994, as U.S. consumption has grown faster than incomes in 1993. U.S. inflation could well be below 2 percent in 1994, helped by a strengthening dollar and falling oil prices.

There is the potential for some volatility in the bond markets; with the probability of short-term dollar rates rising, there will be inevitable concerns, particularly at the long end of the dollar bond market. If the U.S. yield curve flattens and

the U.S. economy continues to grow at its current pace, U.S. banks are likely to change the constitution of their portfolios of assets, potentially reducing the bond element.

Perhaps the real point is that for the next year or so investors should not expect the high levels of total return seen from both bonds and equities over the last year from any class of financial asset. In this context the argument in favor of bonds remains powerful.



Christopher Kwiecinski, investment manager, Banque Indosuez, Global Private Banking

As 1993 draws to a close, "the worry list", or market uncertainties facing the international investors do not seem to be getting any shorter.

There are still two main unknowns in the interest rate differentials equation between Germany and the United States. First, the

delay and the vigor with which the Federal Reserve will react to the current above-trend growth rate of the U.S. economy may unsettle the markets. Second, the Bundesbank, true to form, is bound to keep the markets on the edge when it comes to the timing and scope of its next easing of monetary policy.

Two more recent uncertainties include the epilogue of the GATT saga and the surprise outcome of the Russian election. These four concerns should certainly provide a bad case of indecision for the markets (equities in particular).

West, east (with one major exception) and even south, the stock markets are ringing 1993 out with a bang. Such stellar performance might be expected from the emerging high fliers, mainly in Southeast Asia, but are the year-end rallies or pre-empted January effects sustainable on the more mature markets? The 1994 market price examines rates exceeded both their long-term historical averages and their pre-October 1987 levels, particularly in Continental Europe.

Japan stands out as a notable exception at least in terms of historical absolute market levels. It is the only major equity market which trades significantly below its late 1989 all-time, albeit overvalued, high. A sure turnaround bet? Well, not necessarily, at least in the short term.

The problem for the Japanese market is that despite economic policies supportive to growth, activity in the real economy has so far failed to respond.

Equity markets in continental Europe appear to have decided not to wait for the final stage of monetary easing in Germany. They may be running the risk of being walloped by the Bundesbank (not for the first and last time undoubtedly) which is less known for willingly validating optimistic market expectations. The downside risks include further postponement of a recovery in the European economy and yet another year of mediocre company earnings.

In view of the above uncertainties, a short-term increase in cash positions appears as prudent but over time, market corrections reducing overvaluations should be used as strategic accumulation opportunities on selected markets.



Anna Tong, director, Aetna Investment Management (Hong Kong) Ltd.

The Asian equity markets outside of Japan have enjoyed a spectacular 1993 as a result of a confluence of interrelated factors. These include falling interest rates, enormous foreign equity investment, strong underlying economies, positive earnings surprises, a favorable supply-demand scenario for equities in general, and some of the most aggressive retail investors in the world. Whether 1994 will provide ground for bull markets will be largely determined by these same forces.

The interest rate scenario should be neutral for most of next year. With interest rates likely to rise modestly in the United States, a corresponding marginal rise in most Asian countries is to be expected. This should not damage the markets severely.

Foreign investors are likely to firmly remain net buyers as a result of increased international allocations among institutional investors, who should be encouraged by strong growth figures (expected to be two to three times most OECD countries) from Asian economies.

The earnings outlook is perhaps most encouraging. Asian markets love positive earnings surprises, and we are likely to see another string of impressive results. Any disappointment, however, is likely to be the key factor to market volatility and the critical "sell" indicator.

Outlook

BRIEF CASE

Herzfeld Equity Fund Taps Cuban Market

Miami's Cuban population is not the only group betting on the fall from power of Fidel Castro, and the lifting of the 38-year trade embargo of Cuba. "Are you ready for CUBA?" ask ads announcing the launch of the Caribbean Basin Fund, managed by Herzfeld-Cuba, an affiliate of Thomas Herzfeld & Co., the Miami-based closed-end fund specialist. The fine print notes that U.S. law currently prohibits direct or indirect investment in Cuba, nor is there any assurance that will change. Moreover, until the U.S. trade embargo against Cuba is lifted, the fund will not make any investments prohibited by that embargo. "We'll start investing in January

with publicly traded stocks in the United States and the Caribbean, which will rise when the embargo is lifted," said Mr. Herzfeld. One example would be Florida East Coast Industries, a rail line that carries freight to the port of Miami, but the money manager also plans to buy companies in markets like Barbados and Jamaica. "We'll buy them both on their own merits and the expectation that they will do better still if the embargo is lifted," he said. He believes that the end of the embargo will set off an economic boom in the Caribbean, "and we're betting it will be sooner, rather than later." The fund will also invest in both private and public companies in Florida that are managed and owned by Cuban-Americans and

would participate in the rebuilding of the island economy. The offering will continue until the end of December, with a minimum initial investment of 1,000 shares. For more information and a prospectus, call 305-271-1900, or write to P.O. Box 161465, Miami, FL 33116.

ment. Island-based investment professionals say the new "Mutual Fund Law" is partially aimed at shoring up Cayman's image. The new regulations involve licensing requirements for mutual funds and for their administrators.

Fidelity Emerging Market advertisement with headline 'Go into emerging markets with more peace of mind. Go with Fidelity.'

If you're considering investment in emerging markets, then consider the new fund from Fidelity. It gives you the chance to capitalize on opportunities in the world's most dynamic economies with an experienced partner - Fidelity, the world's largest independent investment organization.

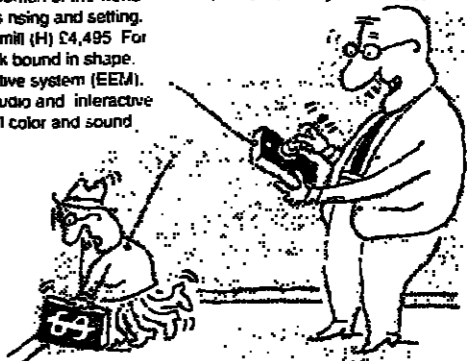
Why Emerging Markets? 77% of the world's population live in these areas. 18 of the world's 30 largest economies are Emerging Markets. They are enjoying rapid economic growth and some spectacular stockmarket returns.

OFFSHORE COMPANY SPECIALISTS advertisement listing various offshore jurisdictions and services.

OFFSHORE COMPANIES FROM ONLY US\$250 advertisement with contact information.

- Gifts under \$100: Wooden whistling train (H) \$26.95, Universal adapter set (S) \$23.95, etc.

- Gifts over \$1,000: Shiatsu massaging lounger (HS) \$1,499, Optional massaging foot ottoman \$299.95, etc.



Christmas Gifts Can Be Tricky Business

IT'S that time of year again. Even for business people. Here are some suggested buys, mostly from people who sell. Susan Miller, vice president of shopping services, Bloomingdale's, New York: "Bloomingdale's offers its customers a corporate gift book that we use year-round specifically for corporate needs."

forget, busy executives need to have some just plain fun. The idea behind the Sharper Image is to offer the affordable fantasy. In conclusion, readers should remember that the giving of gifts is a delicate matter, usually heavy with cultural significance. If you are giving a gift to a person from a different country or continent, you would be well advised to consult someone with detailed local knowledge.

The '21' Club advertisement for a dining experience, located at 21 West 52nd Street, New York, NY 10019.

MARITIME MANAGEMENT, LTD. advertisement for a Bermuda regulated fund of funds.

INVESTCO advertisement for the European Warrant Fund, featuring a large '114%' graphic and performance data.

SPORTS

In Las Vegas, FIFA's Stage Is Set for World Cup Soccer, American-Style

By Ian Thomsen
International Herald Tribune
LAS VEGAS—Soccer's bureaucrats have been ordered to Las Vegas, where you enter a casino and aren't sure how to get back out.

reposition those nations into the desired division. In effect, millions of television viewers throughout the world will be tuning in to watch FIFA cheat, at least in the eyes of some.

role is more important than their record. If the U.S. team is humiliated in the first round, then Americans will be embarrassed before the rest of the world, and FIFA can forget all about harvesting this final frontier of soccer.

to kick the "first" bell from the White House Rose Garden. It will be televised via satellite to the Las Vegas Convention Center audience of 3,500 and to 80 countries live. Chelsea is goalkeeper from her school's soccer team.

the only soccer player known by many Americans. It will be like putting on a Christmas parade without Santa Claus.

In Search of the Jackpot in the Gambler's Den

LAS VEGAS—A week is an eternity in the politics of soccer. Here in the gaudy heart of gambling country, FIFA suddenly has its starstruck moment.

Note Pelé is on the list. Earlier in the week, FIFA's president João Havelange, these days so distant when he's in the room you think he might be appearing via satellite, had precluded a major role for the world's greatest soccer star.

"There will not be many," said Blatter. "The FIFA national associations get 15 percent of the tickets, a total of 450,000, and there are more people wanting to come to America than went to Italy in '90."

AND AMONG the seeded teams, one venue stands out as an attraction. A venue stands out as an attraction. A venue stands out as an attraction.



ON HIS MARK — Patrick Ewing was indeed No. 1, surpassing Walt Frazier as Knicks' career scoring leader with 27 points against the Lakers. Ewing has 14,626 points, to Frazier's 14,617.

SCOREBOARD

Table containing NBA Standings (Eastern and Western Conferences), NHL Standings (Eastern and Western Conferences), and Major College Scores.

HO, HO, HO By John M. Samson

A crossword puzzle grid with clues listed on the left side.

New York Times Edited by Will Shortz

A crossword puzzle grid with clues listed on the left side.

WORLD CUP SKIING

Table with results for Men's Downhill Skiing, including names like Markus Fischer and times.

ITALIAN CUP

Table with results for Italian Cup, including names like AS Roma and Fiorentina.

THURSDAY'S RESULTS

Table with results for various sports events on Thursday, including basketball and soccer.

SIDELINES

Jacquet Is New French Soccer Coach

PARIS (AP) — Aimé Jacquet was promoted Friday from assistant coach to head coach of France's national soccer team.

Luge Coach Loses Leg in Accident

WINTERBERG, Germany (AP) — A woman member of the U.S. luge team slammed into the chief German coach during a practice run Friday.

Els Is Johnnie Walker Golf Leader

MONTEGO BAY, Jamaica (Reuters) — Ernie Els of South Africa birdied the final hole for a five-under-par 66 that gave him a one-shot lead.

For the Record

The Australian Formula One Grand Prix automobile race will switch from Adelaide to Melbourne beginning in 1997, the state premier of Victoria, Jeff Kennett, announced Friday.

Advertisement for BELGRAVIA ORCHIDS and MERCEDES, featuring travel and gift services.

Advertisement for INTERNATIONAL CLASSIFIED, listing various travel agencies and services.

Advertisement for TO OUR READERS IN BERLIN, offering a free copy of the newspaper.

DAVE BARRY

Just Another Birthday

MIAMI — If you don't have enough drama in your life, you need to chaperone a party for a group of seventh-graders.

We recently had a party for our son's 13th birthday. We rented a Holiday Inn function room, on the theory that it was roomier and less flammable than our house. We hired two nice young DJs to play

music really loud so that the youngsters would enjoy it. We ordered a large quantity of cold cuts for the youngsters to ignore, as well as a nice fresh vegetable platter for them to actively avoid.

We stood near the door and greeted the guests and their parents as they arrived. There seemed like a LOT of guests, more than we recalled inviting. Apparently this party was giving off some kind of powerful airborne adolescent hormonal chemical attractant for 13-year-olds. People were streaming into the function room. The kids would melt instantly into the throbbing blob of youth that had formed in the middle of the dance floor. Their parents would look over, trying to discern whether we were decent people or Branch Davidians or what. There was no way we could talk to them, because the sound system was cranked up to KILL ZONE, playing songs that consisted of angry men shouting things like:

This song is PAIN! Makes you insane! This song grows big warts on your BRAIN!

The central throbbing youth blob was constantly pulsating and mutating and spilling into smaller groups and subgroups to whisper, bug-discuss, commiserate or — if it was a group of boys — punch. Every few minutes a group of maybe 14 girls — at least two of them crying, and at least one of them saying something like "I can't stand it!" — would rush past us out the door and into the ladies' restroom. Moments later a shot of boys would rush out and go into the boys' restroom. Then there would be tense diplomatic negotiations between restrooms, with a small party emerging from the men's restroom to talk with a party from the ladies' restroom. ("He just wants to talk to her!" "She's VERY UPSET!") Then everybody would surge back into the function room, and the throbbing blob would change form a few times, and then, suddenly, the Priority Code Red Alert Signal would go out again: BACK TO THE RESTROOMS!

At one point, as small groups of seventh-graders were streaming urgently past me in both directions, a young lady, clearly having been briefed by her parents on proper etiquette, stopped momentarily and said to me: "Hi! I'm having a very nice time. So far."

The party lasted 3½ hours, which is 46 years in chaperone time. Finally the parents came back and the music (thank God) stopped and the lights came back on and all these urgent dramatic figures turned back into seventh-graders, politely saying good night and leaving with their parents, going back to the boring old world.

Our son told us it was a good party. I kind of wished I had been there.

Knight-Ridder Newspapers

Me, Worry? The New York Way of Stress

NEW YORK — This city has its worries. God knows, but part of New York's magic is its zeal in finding new ones. Take the handwritten notice tacked on an elevator wall in an apartment building on East 10th Street:

Dear Chef, Please don't bring any hot Teflon pans to the potluck supper. This material is dangerous for parrots.

Farouk! There are murderers and murderers, televised warnings that your neighbor, televised warnings that your neighbor,

MARY BLUME

borhood grocer may be dangerous for your health ("flies are worse than roaches"), lipsticks on sale at Barneys with names like Envy and Anger and Decadence, and a course at the New School called "Carmen Miranda and Pele: Afro-Brazilian Paradoxes." And now people are supposed to worry about the Teflon effect on parrots. This being New York, they briefly and willingly do.

In other places, people succumb to stress. New Yorkers feed on it, their paranoia is like pabulum. A new worry? Stroke it with essentials, bathe it in algae: "We use essential oils and seaweed, that's our main thrust," the manager of a New York day spa tells a television interviewer on holiday stress.

In the rest of the United States, stress is a problem and not a refinement. In Baltimore, high school students enroll in a stress management course; a rather wimpy new magazine tells women how not to get soaked by their plumpers, how to build a fire, and who's to blame for bell-bottoms; and on daytime television billowing self-absorbed nits who make the Michelin man look like Kate Winslow about stress-related grievances, the most outlandish being the cushion-shaped woman who is not entirely happy in the marriage that Elvis Presley contracted with her posthumously.

The country is, as the saying goes, stressed-out, its pain barrier low. "There is nothing worse than the discomfort of loose-fitting shoes," says an advertisement for Heel Socks. In fact there's a lot that's worse, including tight-fitting shoes, but people seem to fix on the bad to avoid the worst. "I am tired of them slushing in stress, they should try two days in Sarajovo," a cross New York wailer says.

New York, which has endured its own sort of siege for so long, may be less savvy than it was but is not yet sunk to the white; on the other hand, common or garden stress, with no savvy Big Apple twist, is now acknowledged as part of

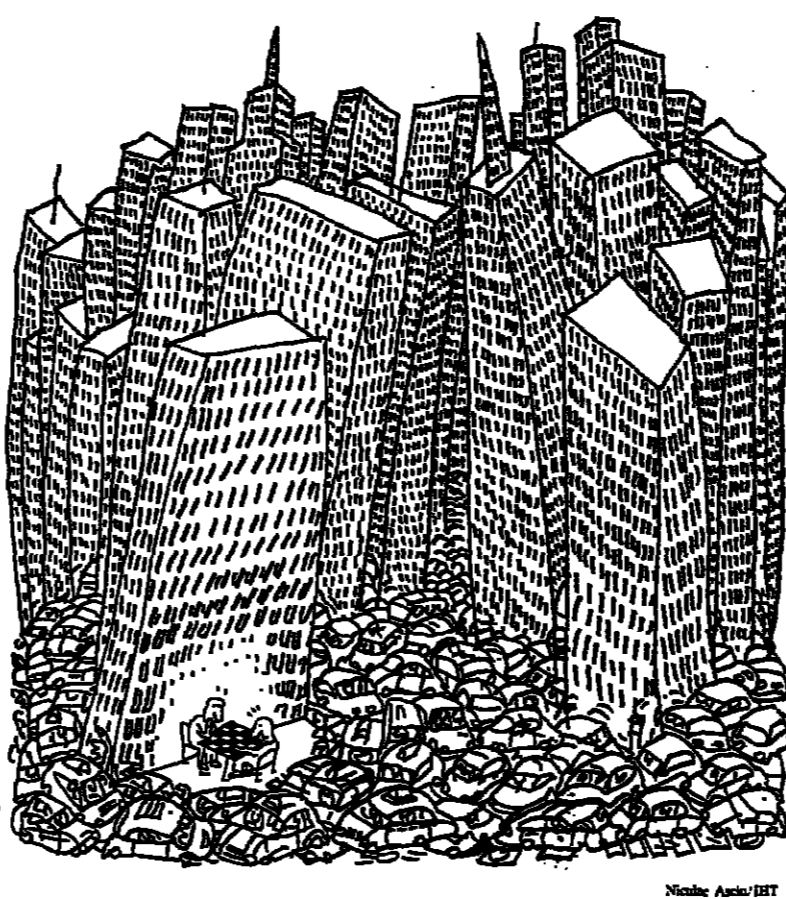


Photo: AP/Wide World

life. Macy's Thanksgiving Day parade, in addition to a Turkey float and Beethoven balloon, had a TV shrink on its Mother Duck float.

Lenox Hill Hospital, in Manhattan, has been running a constantly expanding stress-reducing program since 1985, both in a special relaxation booth and via its Tel-Med computerized data base through which telephone callers are informed not only on alcoholism, hypertension, pests and insects and smoking but, under the stress category, on every variety in the alphabet from stress and asthma to stress and diabetes.

The hospital's relaxation booth is in its Health Education Center, opposite the Pick-A-Bagel shop on Lexington Avenue at 76th Street. The center's Jill Erichsen says Tel-Med gets up to 12,000 calls a month and the center welcomes nearly 24,000 visitors a year.

"I'm telling you, in New York anything on stress and relaxation is the key thing," Erichsen says.

Visitors to the relaxation booth draw a

curtain, sit in an airline-style chair and watch a soothing video of dappled sunlight on waves. "We've caught a lot sleeping, they're so relaxed."

Farther downtown, just below the hypertextual pleasure of Bloomingdale's, is the new Great American BackRub, a quintessentially New York set-up which offers an 8½-minute massage for \$7.95, with one backrub free for every 10 paid for. According to the BackRub's spokesman, a laid-back gent named Helme, in just over a month the shopfront operation was doing more than 150 massages a day.

Customers, fully clothed, sit backward in special chairs, offering their lumbar regions to massagers in latex gloves (it is somehow unnervingly clear that the gloves protect the masseurs from the customers and not vice versa). In addition to massages, the BackRub sells such products as the Knobbie, the Ma Roller and the Great American BackRub Stress Buster, a small red pouch which looks like a sandbag and which, for \$3.50, is said to bring solace when squeezed.

PEOPLE

A No-Liability Clause?

Stern Is Fuming Again

Raunchy radioman Howard Stern says he was ready to go to jail rather than put up a damage deposit in West Hollywood before a book signing. The disk jockey's best-selling book, "Private Parts," has drawn huge crowds at similar appearances across the United States, and Stern canceled the West Hollywood signing after city officials sought a \$25,000 bond to cover possible damage and \$14,000 for police overtime. Stern says he changed the venue to Pasadena, only after the book store owner asked him not to come. Otherwise, he said, he would have showed up without paying a penny. "I was ready to go to jail."

Ronald Winston, the head of the Harry Winston jewelry company, was struck with inspiration when he heard that his friend Donald Trump would marry Marla Maples on Monday. He offered them a diamond ring. The crown was already in the works: "From time to time, a princess will call and ask for a no-look-prepressing favor," he said. "I thought, 'This is for a fairy princess, and what better with her second harassment allegations against Supreme Court Justice Clarence Thomas. Hill has not publicly discussed the allegations since she made them at Thomas's confirmation hearings in 1991.'"

Michael Jackson appeared on a videotape in federal court in Los Angeles, denying that he had stolen parts of "The Girl Is Mine," "Thriller" and "We Are the World." Re-named Jones and Robert Smith, childhood neighbors of the Jackson family, contend that Jackson incorporated parts of songs they had composed and taken to the Jacksons on tape. "Any songs that I take credit for on my album, any songs that say Michael Jackson are written by me," Jackson testified.

What's coming, according to his newsletter Bottom Line, includes "U.S. Savings Bond Traps," "Flawed Heart Valve Implants," "Overwatering Kills More Houseplants Than Anything Else" and "Cars with Highest and Lowest Repair Costs."

For added protection, there is a Bottom Line anthology called "The Book of Inside Information," which Marty says has sold two million copies at \$30 each. No subject is left untapped, from "Removing Ear Wax" to "Irrevocable Life Insurance Trusts," from "What Supermarkets Don't Tell You" to "Calling Turns in the Stock Market."

Marty's motto might well be: forewarned is forearmed. So what is he doing in a senseless violence zone? Good question, he says, he was late this morning because he was looking at new offices in case things got worse. "In the meantime," he added, "one in six people in this office, myself included, have black belts in Karate."

So that's life in the big city. Meanwhile, back to parrots. That warning turned out to be dead on. According to a woman from an exotic bird store on Bleeker Street, barbed Teflon is poisonous not only to parrots but to all birds.

INTERNATIONAL CLASSIFIED Appears on Pages 4 & 7

WEATHER

Table with columns for location, today's weather, and tomorrow's weather. Includes cities like Algiers, Amsterdam, Athens, Barcelona, Beijing, Berlin, Bogota, Buenos Aires, Cape Town, Chicago, Dallas, Denver, Frankfurt, Geneva, Helsinki, Houston, Istanbul, London, Madrid, Moscow, New York, Paris, Rome, Seoul, Singapore, Taipei, Toronto, Washington, and Zurich.

Forecast for Sunday through Tuesday, as provided by Accu-Weather.



North America: Rather unsettled weather will cover an area from New York to Boston Sunday through Tuesday. Heavy rains and strong winds ranging from 100 to 120 mph are likely along the coast of Great Britain, France, Germany and Norway. At the same time, a snowstorm will rage over interior Scandinavia.

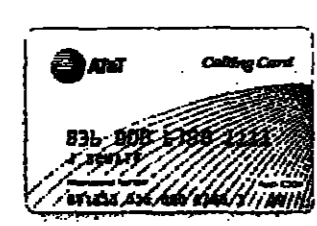
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WEEKEND SKI REPORT

Large table with columns for Resort, Depth, Mts., Res., Snow Last, Comments, and other details for various ski resorts like Andorra, Cortina, Courmayeur, Saalbach, etc.

Travel in a world without borders, time zones or language barriers.



Imagine a world where you can call country to country as easily as you can from home. And reach the U.S. directly from over 125 countries. Converse with someone who doesn't speak your language, since it's translated instantly. Call your clients at 3 a.m. knowing they'll get the message in your voice at a more polite hour. All this is now possible with AT&T!

To use these services, dial the AT&T Access Number of the country you're in and you'll get all the help you need. With these Access Numbers and your AT&T Calling Card, international calling has never been easier. If you don't have an AT&T Calling Card or you'd like more information on AT&T global services, just call us using the convenient Access Numbers on your right.

AT&T Access Numbers. How to call around the world. 1. Using the chart below, find the country you are calling from. 2. Dial the corresponding AT&T Access Number. 3. An AT&T English-speaking Operator or voice prompt will ask for the phone number you wish to call or connect you to a customer service representative.

Table listing AT&T Access Numbers for various countries including Australia, Canada, Europe, Middle East, and Americas.

AT&T Calling Card not yet available in all countries. AT&T World Customer Service... Public phones require local coin payments through the call station. AT&T World Customer Service prices apply.

سكنا من الاصل